



## Doing Business in Italy: 2012 Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In Italy

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### Market Overview

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- Italy is the world's 8<sup>th</sup> largest economy with a GDP in 2011 of USD 2.25 trillion. Italy's economy is expected to contract by about 1.7 percent in 2012 still affected by the current global recession. Italy's population is 60.85 million.
- Italy is the 17<sup>th</sup> largest market for U.S. exports, totaling USD 14.1 billion in 2010. The U.S. is Italy's 8th largest supplier. The top four supplier nations are Germany, France, China, and the Netherlands. U.S. imports from Italy totaled USD 28.5 billion.
- U.S. cumulative direct investment in Italy was USD 29 billion in 2010, ranking Italy 12<sup>th</sup> in Europe. U.S investment is concentrated in manufacturing, computer services and software, and energy, with significant industrial relationships in the aerospace and automotive sectors.
- Industrial activity is concentrated in the north in a swath that runs from Turin in the west through Milan to Venice in the east. This is one of the most industrialized and prosperous areas in Europe and accounts for more than 50 percent of national income. By contrast, Italy's southern region, or "Mezzogiorno" is less developed.
- Italy is a founding member of the European Union (EU) and uses the Euro as its national currency.
- President Napolitano appointed former EU Commissioner Mario Monti as the new Prime Minister on November 13, 2011. Monti named a government of technocrats and embarked on a series of reform measures to revive Italy's stagnant economy. As new regulations and laws are passed new opportunities may arise.

### Market Challenges

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- Italy is a mature and sophisticated market. U.S. entrants face strong competition from local and other EU companies in all market segments.
- Italy's regulatory environment is complex and at times lacks the transparency, clarity, efficiency and certainty found in other developed economies.
- Products that involve health, safety, or environmental concerns are likely to be highly regulated. While EU-wide regulations often apply, Italian laws may go beyond the basic EU requirements.
- The economy is dominated by small, family owned companies (92 percent of Italian firms are small or medium size) [that produce 70 percent of Italy's GDP.](#)

### Market Opportunities

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- U.S. firms enjoy good opportunities in sectors where new regulations or programs (often imposed or initiated at the EU level), are creating demand; with new products/services where there is little or no domestic competition; and/or where the U.S. product offers clear technological, design, or price advantages.
- Best prospects for U.S. exports include the energy efficiency (BLD/ACE), telecommunications equipment and services, renewable energy, travel and tourism, automotive (motorcycles), safety and security, airport and ground equipment, and pet products sectors.
- Italy's changing demographics and lifestyle also create opportunities. Italy's birthrate is low and its population is aging. More women are entering and remaining in the workforce.
- Italy hosts major trade shows that attract buyers from throughout Europe, the Mediterranean, and beyond. The Commercial Service offers on-site support for U.S. exporters at most of the major international shows, or by request. Shows where U.S. companies have obtained good results include Solar Expo/Greenbuilding (renewable/energy efficiency), Zoomark (pet products), Autopromotec (automotive), EICMA (motorcycles) Showcase USA-Italy (tourism), TTG Incontri (tourism) and Pulire (commercial and industrial cleaning).
- U.S. agricultural, fish and forestry exports to Italy in 2011 totaled around (estimate) USD1.945 billion. The United States is, for Italy, primarily a supplier of high quality inputs for Italian food processing—wheat for pasta and confectionary, forest products for furniture and housing components, tree nuts for bakery products, seeds for planting, hides, and skins, seafood for the restaurant sector, and tobacco. While consumer-ready products do succeed in this market, the EU's system of making technical conclusions subordinate to political decisions has constrained trade for many U.S. products, but in particular for meats and products containing genetically modified ingredients.

## Market Entry Strategy

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- The cultivation and maintenance of personal relationships are a vital part of doing business in Italy. Finding the right Italian agent, distributor, or business partner is therefore essential to enter the Italian market. It is usually not effective to rely on agents or distributors in neighboring markets, since despite the existence of the EU common market, the Italian market remains very individual.
- The ideal candidate should already have a network of relationships that will open doors in the market. They should have a solid understanding of local business practices and regulations. For technical products, the potential partner should have the ability to provide Italian customers with after-sales service. Patience is essential as it may take two to three times longer than expected to establish a business.
- eCommerce remains relatively less developed in Italy due to factors such as a high level of credit card fraud, lack of trust in the postal system, and the traditionally less favorable return practices of Italian merchants. However, Italians do use the Internet for social networking and information.
- The U.S. Commercial Service offers services to help U.S. firms identify an ideal partner, from customized Gold Key matchmaking to participation in U.S. Pavilions at leading trade exhibitions.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/4033.htm>

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## Chapter 3: Selling U.S. Products and Services

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### Using an Agent or Distributor

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Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that

affect less than 10 percent of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:

[http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

The EU also looks to combat payment delays with Directive 2000/35/EC which was reviewed in 2010. The new directive, which replaces the existing one in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. In sum, the new Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8 percent above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60 day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Links:

[http://ec.europa.eu/enterprise/policies/single-market-goods/files/late\\_payments/doc/directive\\_2011\\_7\\_en.pdf](http://ec.europa.eu/enterprise/policies/single-market-goods/files/late_payments/doc/directive_2011_7_en.pdf)

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:

<http://www.ombudsman.europa.eu/home/en/default.htm>

[http://ec.europa.eu/solvit/site/about/index\\_en.htm](http://ec.europa.eu/solvit/site/about/index_en.htm)

## Establishing an Office

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A foreign citizen wishing to establish temporary or permanent residence in Italy to administer a business or to manage a corporation should obtain a business visa for this purpose from one of the [Italian Diplomatic Missions](#) in the United States. All individuals or firms in business in Italy must be registered with the local [Chamber of Commerce, Industry and Agriculture](#). This is a quasi government office, operating essentially as a field office of the [Ministry of Economic Development](#) (formerly the Ministry of Productive Activities). To register with this office, an agent for a foreign company must produce a power of attorney duly notarized by an Italian consular or diplomatic official in the country of the principal.

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. The current legislation is undergoing review; a proposal for a new data protection legal framework is expected early 2012.

This general legislation is supplemented by specific rules set out in the "Directive on the Processing of Personal Data and the Protection of Privacy in the Electronic Communications Sector" (2002/58/EC). This requires companies to secure the prior consent of consumers before sending them marketing emails. The only exception to this opt-in provision is if the marketer has already obtained the intended recipient's contact details in the context of a previous sale and wishes to send them information on similar products and services.

Key Link: [http://ec.europa.eu/justice\\_home/fsj/privacy/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm)

#### *Transferring Customer Data to Countries outside the EU*

The EU's general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it or if the **unambiguous consent** of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is NOT one of these.

The Department of Commerce and the European Commission negotiated the Safe Harbor agreement to provide U.S. companies with a simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the Directive), and by publicly stating that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor program will. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up to the Safe Harbor.

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were

published at the beginning of 2005, and were complemented in 2010 by contractual clauses on “sub-processing” (outsourcing by an EU based exporters of its processing activities to other sub-processors outside the EU); work to update these and develop new ones is ongoing. Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries’ Data Protection Authorities (DPAs) and large multinational companies are also developing a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country approval of “binding corporate rules” (BCRs). A BCR is the international code of practice followed by a multinational corporation for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Key links: <http://www.export.gov/safeharbor/>

[http://ec.europa.eu/justice/policies/privacy/modelcontracts/index\\_en.htm](http://ec.europa.eu/justice/policies/privacy/modelcontracts/index_en.htm)

[http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index\\_en.htm](http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm)

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U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising.

## Direct Marketing

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There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.



### **Processing Customer Data**

The EU has strict laws governing the protection of personal data, including the Use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

### **Distance Selling Rules**

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive". The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts, regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the information available via the hyper-links, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

Key Links:

*Consumer Affairs Homepage:*

[http://ec.europa.eu/consumers/index\\_en.htm](http://ec.europa.eu/consumers/index_en.htm)

*Distance Selling:*

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/dist\\_sell/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm)

*Door-to-Door Selling:*

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/door\\_sell/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/door_sell/index_en.htm)

*Consumer Rights:*

[http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index\\_en.htm](http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm)

### **Distance Selling of Financial Services**

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amends three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive

establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

### **Direct Marketing over the Internet**

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: [http://ec.europa.eu/internal\\_market/e-commerce/index\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/index_en.htm)

## **Joint Ventures/Licensing**

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Business operations may be carried out in all usual ways, from licensing to incorporated subsidiaries. A subsidiary is often formed to take advantage of Italian investment incentives and to limit exposure of non-Italian operations to Italian tax. A branch is sometimes chosen because of its simplicity and lower costs of formation and operation.

### **Business Entities – Forms of business enterprise:**

**Società per Azioni** (SpA): is a company whose shareholders' liability is limited to the par value of their shares. This is the form favored by large enterprises and usually preferred by foreign investors. It is similar to the U.S. corporation.

**Società a Responsabilità Limitata** (Srl) is a company whose shareholders' liability is limited to the par value of their shares. The Srl is preferred for small business concerns and closely held businesses having limited capital.

**Società in Nome Collettivo** (Snc): is a general partnership. The liability is not limited.

**Società in Accomandita Semplice** (Sas): is a partnership in which the liability of certain of the partners is limited by agreement to the amount of their capital contributions.

**Società in Accomandita per Azioni** (SApA): is an incorporated partnership in which the liability of certain partners is without limits.

**The European Company** is a legal instrument based on the European Community law that gives companies the option of forming a European Company – known formally by its

Latin name of 'Societas Europea' (SE). An SE can operate on a European-wide basis and be governed by Community law directly applicable in all Member States.

The creation of the European Company Statute means in practice that companies established in more than one Member State are able to merge and operate throughout the EU on the basis of a single set of rules and a unified management and reporting system, which means advantages in terms of significant reductions in administrative and legal costs, a single legal structure and unified management and reporting systems.

#### **Joint Ventures:**

**Associazione in Partecipazione** (or **Joint Venture**) is not specifically regulated, but Italian law provides for some kinds of contracts that can be utilized for establishing joint ventures.

A joint venture involves the participation by a supplier of capital in the profits of the business. The operator manages the business and is solely responsible for the obligations he or she assumes toward third parties. The person furnishing the capital is responsible for any loss in direct proportion to his or her share in the net profit, limited to the amount of his/her original investment.

Joint ventures can be one-time defined transactions with a definite duration (contractual joint venture) or a permanent cooperation between separate groups through the incorporation of a joint-stock company (corporate joint venture). Corporate joint ventures are now seen frequently in Italy.

#### **Licensing:**

Licensing in Italy allows foreign entities to profit from technology transfers of a formula, process or patent without the need to invest substantial capital. The Italian government imposes no exchange control limitations on the transfer of royalties abroad. Protection over the use and ownership of the technology transferred should be included in the terms of the licensing agreement.

#### **Selling to the Government**

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The EU public procurement market, including EU institutions and member states, totals approximately EUR 1.6 billion. This market is regulated by three Directives:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers the following sectors: water, energy, transport and postal services; and

- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

Remedies directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the 27 EU member states.

The U.S. and the EU are signatories of the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds.

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the GPA. The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent of the total value of the goods constituting the tender, or is entitled to apply a 3 percent price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement. This site also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement. Access is free of charge.

Key Link:

<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>

### **Public Procurement in Italy**

Italy's public procurement system is bound by international obligations under both the WTO Government Procurement Agreement (GPA) and EU Public Procurement Directives. Through a series of legislative decrees enacted since the GPA became part of EU domestic law in January 1996, Italy generally has brought its domestic procurement laws into compliance with the above international obligations. Italy has over 22,000 contracting agencies at the central and local level that are subject to EU Directives on public procurement. GOI Ministries are the main central contracting agencies. At the local level, principal contracting agencies include regions, provinces, municipalities and entities controlled by the municipalities, including local healthcare authorities responsible, among other things, for hospital administration.

Invitations to bid are published in the official European Gazette and in the official Italian Gazette. The U.S. Commercial Service at the U.S. Mission to the European Union has developed a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement

(<http://export.gov/europeanunion/>).  
[http://ec.europa.eu/internal\\_market/publicprocurement/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/index_en.htm) offers access to EU public procurement announcements free of charge.

The Italian government does not typically purchase goods and services abroad unless they cannot be procured locally through domestic sources, which would include subsidiaries, branches and agents of U.S. companies. In order to be considered as a source for Italian government purchases, it is recommended that the U.S. firm be represented by an agent/distributor rather than try to deal directly with Italian government agencies.

#### **Distribution and Sales Channels**

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U.S. business representatives will find that selling in Italy offers new challenges, but it presents no overwhelming problems. U.S. executives may find that some commercial practices differ from those in the United States, but most will be very familiar. The system of retail and wholesale distribution, for instance, centers on small, family-operated stores. Despite this phenomenon, the supermarket type operation has gained importance, and there are a number of substantial department store operations.

#### **Selling Factors/Techniques**

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A number of U.S. firms maintain their own sales organizations in Italy. Others sell through specialized importers or appoint sales agents who often are manufacturers' brokers. A large, well-established Italian firm with an efficient nationwide sales organization is likely to insist on an exclusive arrangement. About 1,843 U.S. firms are represented in the Italian market through agents, branches, subsidiaries, or licenses. Of these, nearly 954 have a substantial direct capital investment in the form of stock as a sole owner or partner in an enterprise. Generally, the sales territory includes all of Italy. In other cases, the territory also covers all or part of the European Union, depending on the type of product and degree of technical support needed. Italian distributors also have excellent contacts within Eastern Europe and the Mediterranean Basin.

#### **Electronic Commerce**

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##### **Regulation of Electronic Commerce in the European Union**

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising, and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers.

Key Link: [http://ec.europa.eu/internal\\_market/e-commerce/directive\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/directive_en.htm)

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are based, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: [http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

### **Electronic Commerce in Italy**

E-commerce, both Business-to-Business (B2B) and Business-to-Consumer (B2C), is significant and growing rapidly in Italy. [See section on Regulation of Electronic Commerce in the European Union for overview of the legal framework within the EU.]

### **Overview**

E-commerce in Italy has developed very rapidly in the past few years, registering annual two-digit growth, but the technology gap with the other major European countries still exist. The Italian Information and Communications Technology (ICT) sector still suffers from long-existing structural problems and is undersized and lagging behind. Nonetheless, the gap has been narrowing and ICT penetration has been improving. Trade analysts indicate that e-commerce is poised to continue its upward trend in the next few years, with Business-to-Business (B2B), Business-to-Consumer (B2C), and Consumer-to-Consumer (C2C) transactions all posting solid growth.

The number of business and home Internet users is estimated at close to 36 million. About 9 million of them are online buyers, while the rest “inform themselves” via the Internet before buying.

The Internet penetration rate among Italian enterprises with over ten employees is close to 95 percent, but only 65 percent of the companies have a website, 27 percent sell online and just 6 percent buy online. The household Internet penetration rate is still lagging at 52 percent, while the PC penetration rate is about 60 percent.

The number of broadband users is estimated at 13.3 million and broadband access is not developing as rapidly as in other countries. 83 percent of the enterprises with over ten employees are connected with broadband access, in line with the EU27 average (84 percent), but the share of households which have internet access from home via broadband is 49 percent versus 61 percent of the European average.

On the other hand, 9.7 million users access internet from their mobile phone. Mobile phone diffusion in Italy is among the highest in the world, with over 91 million SIM cards activated (with multiple-SIM ownership) and 46.5 million clients served, more than three quarters of the total Italian population. Italy is also No. 1 in Europe for the number of smartphone owners, who total 20 million.

## **B2B and E-procurement**

B2B e-commerce applications are registering continuous growth and are expected to continue growing over the next few years. The most active players implementing B2B solutions are in the automotive, pharmaceutical, grocery, IT & telecom, and financial services sectors. Specialized B2B applications in key "Made in Italy" sectors are also gaining momentum. E-government, both at the local and central level, is also becoming increasingly important.

E-procurement is also growing steadily, and virtually all major Italian industrial groups and companies resort to it. It is forecasted that in the next few years up to 70 percent of all company purchases may be via e-procurement. Preliminary estimates indicate that the value of transactions through e-sourcing tools may have reached USD40 billion in 2011.

The need for the Italian public sector to improve efficiency is driving the growth of e-procurement and significant developments are occurring in this field. In order to rationalize expenditures for goods and services, both the central and local Italian government offices utilize the Italian Public Administration eMarketplace (MEPA), an e-procurement platform managed by Consip SpA - the Italian Central Purchasing body 100 percent owned by the Italian Ministry of Economy and Finance (MEF) - through its division AiR-Acquisti in Rete ("Public Procurement Online"). MEPA connects Italian public bodies to thousands of suppliers all over Italy.

E-sourcing is mostly utilized by the public sector for the purchase of information technology equipment and office supplies, furniture, uniforms, personal safety devices, and vehicles. Electronic procurement of services is also growing, especially in the areas of energy (fuel, electric power), printing services, vehicle rental, cleaning services and financial services.

For purchases with a value above the mandatory EU publication threshold, government bodies issue public tenders open to both domestic and foreign companies. Announcements of tenders on public procurements are monitored by the U.S. Mission to the European Union and can be accessed through the webpage:  
<http://export.gov/europeanunion/grantstendersandfinancing/index.asp>

## **B2C**

B2C e-commerce in Italy has experienced extraordinary growth in the past few years, even in spite of the economic recession, and in 2011 its value in absolute terms finally passed the threshold of two percent of total retail transactions. Important new operators like Amazon, Groupon and Groupon entered the Italian market directly and greatly contributed to the positive results of the sector. Estimates indicate that B2C e-commerce sales in 2011 totaled over USD 11 billion, a 20 percent increase over 2010. Web shoppers were 9 million, a 7 percent increase over 2010, and imports of products and services from abroad were estimated at USD 3.4 million. Although the growth rate is higher than in the other most important European countries, in absolute terms the Italian e-commerce market is still only worth one sixth of the UK market, one fourth of the German market and less than half the French market.

Contrary to the other European countries, the services segment in Italy holds the lion's share, with 65 percent of the market and an 18 percent increase in 2011 over 2010. The best performances were in travel and tourism (49 percent of the market value and 13 percent growth over 2010), followed by insurance services (9 percent of market value and a growth of 22 percent) and by discount couponing, which were extremely successful and represented 4 percent of the market. The products segment registered a growth of 24 percent. Information technology/consumer electronics and apparel hold each a share of 10 percent, with a growth respectively of 22 percent and 38 percent, followed by books, music and video (3 percent of the market and 35 percent growth) and grocery (1 percent of the market and 17 percent growth).

The increasing household PC penetration rate and the availability of affordable broadband access are acting as strong driving forces for the development of the B2C sector. Furthermore, mobile-commerce is growing considerably, thanks to the increasing number of mobile surfers who utilize the latest generation smartphones and tablets and take advantage of mobile surfing flat tariffs. It is estimated that in 2011 the mobile commerce market was worth USD112 million (+210 percent over 2010), and was mostly utilized for online bids and flights/hotel reservations/changes.

### **Security and Payment Technologies**

The use of credit cards in Italy lags behind the United States (and some European countries) and security is still a major concern of Italian users. Nonetheless, credit cards are the main method of payment for e-commerce transactions (from the 84 percent in 2010 to 87 percent in 2011), followed by PayPal (from 13 percent to 15 percent), prepaid cards, bank transfer payments and payments upon receipt. Prepaid cards issued by major banking institutions are gaining in popularity and are becoming the most frequently used type of payment card in Italy for online transactions, especially by young people and people with generally lower income levels. Strong differences in the methods of payment exist between the purchase of goods and services. Credit cards are utilized 99 percent of the time in the travel and tourism sector, and 64 percent in the insurance sector. On the other hand, payment upon receipt still has a primary role in the information technology/ consumer electronics sector, and in the apparel, book/music/audiovisual and grocery sectors.

Presently, e-commerce security is not regulated by specific laws, and companies resort to firewalls, secure protocols and digital certificates. Italian legislation recognizes the legal validity of digital signatures and digital contracts. Italian legislation fully complies with EU consumer protection directives with regard to specific information that an e-



commerce site must provide, and sets rigid privacy protection requirements for the opening of an e-commerce site.

The extended use of digital signatures is expected to reinforce the level of trust in e-commerce transactions and to accelerate the diffusion of e-business in the Italian economic system.

### **Most Popular Search Engines**

Google is the most popular search, mostly in its Italian version ([www.google.it](http://www.google.it)), but also in its .com version in English. The other most popular search engines are [www.yahoo.it](http://www.yahoo.it), [www.virgilio.it](http://www.virgilio.it) (controlled by Virgilio/Telecom Italia), [www.libero.it](http://www.libero.it) (controlled by Infostrada) and [www.msn.it](http://www.msn.it). Others are [www.tiscali.it](http://www.tiscali.it), and [www.altavista.it](http://www.altavista.it). U.S. companies can contact each search engine to submit their sites for listing free of charge, but can also subscribe to special advertising services for a fee. U.S. companies may also decide to hire local firms specialized in "web positioning" and search engine marketing services for web site optimization. Although not required, it is advisable for any U.S. company that wishes to rank high on a local search engine to translate into Italian at least keywords and some text.

### **Most Popular Online B2C Marketplaces**

Popular marketplaces, offering products in a wide variety of categories, include [www.amazon.it](http://www.amazon.it), [www.mediasshopping.it](http://www.mediasshopping.it), [www.dmail.it](http://www.dmail.it), [www.comproedono.it](http://www.comproedono.it), and [www.costameno.it](http://www.costameno.it). In addition, there are a range of online marketplaces specialized by sector.

In the travel and tourism sector, there are sites such as [www.edreams.it](http://www.edreams.it), [www.expedia.it](http://www.expedia.it), [www.it.lastminute.com](http://www.it.lastminute.com), [www.octopustravel.it](http://www.octopustravel.it), [www.opodo.it](http://www.opodo.it), [www.venere.com](http://www.venere.com), [www.volagratis.it](http://www.volagratis.it).

In the information technology and consumer electronics area there are [www.bow.it](http://www.bow.it), [www.chl.it](http://www.chl.it), [www.eprice.it](http://www.eprice.it), [www.mediamarket.com](http://www.mediamarket.com), [www.monclick.it](http://www.monclick.it), [www.mrprice.it](http://www.mrprice.it), [www.darty.it](http://www.darty.it), [www.marcopoloshop.it](http://www.marcopoloshop.it), [www.euronics.it](http://www.euronics.it).

In the apparel sector, the most important one is [www.yoox.com](http://www.yoox.com).

In the books, music and video sector, there are [www.ibs.it](http://www.ibs.it), the largest virtual Italian book and record store; [www.bol.it](http://www.bol.it), [www.mondolibri.it](http://www.mondolibri.it), [www.unilibro.it](http://www.unilibro.it), and [www.lafeltrinelli.it](http://www.lafeltrinelli.it).

In the food sector, [www.esperya.it](http://www.esperya.it) is one of the most important online marketplaces in Europe.

In the couponing sector, [www.groupon.it](http://www.groupon.it) and [www.it.groupalia.com](http://www.it.groupalia.com) are among the most important ones.

In addition to these marketplaces – mostly B2C - there are many B2B marketplaces and virtual malls specialized by industrial sector.

Ebay ([www.ebay.it](http://www.ebay.it)) is Italy's number one C2C e-commerce site, with over 7 million visitors each month and 3,500 product categories offered. It is also being utilized by an increasing number of small and medium-sized Italian companies for their B2C e-commerce activities.

### Trust Mark Programs

U.S. companies can voluntarily register with several trust mark programs, which include:

- Q-Web/Certicommerce ([http://www.certicommerce.net/pubblica/e\\_index.htm](http://www.certicommerce.net/pubblica/e_index.htm))
- Quality Certification Bureau Italia (<http://www.qcb.it/index.html>)
- Euro-Label (<http://www.euro-label.com/en/about-us/index.html>, the trust mark awarded to commercial websites that comply with the European Code of Conduct and which guarantees the reliability of international and national transactions.

### Market Drivers

The main factors fueling the development of e-commerce in Italy are expected to continue to be:

- 1) improved Internet access infrastructure;
- 2) recognition of e-commerce as a means to provide better support to customers and suppliers;
- 3) improved consumer protection legislation;
- 4) Italian legislation which recognizes the legal validity of digital signatures and digital contracts;
- 5) improved transaction security;
- 6) a mobile phone diffusion among the highest in the world, which will enable both the business and consumer segments to take advantage of new telecom technologies for e-commerce transactions.

### Resources

#### Internet sites for further information:

**CONSIP** – Public company for the development and management of public e-procurement

<http://www.consip.it/on-line/Home/Companyoverview.html>

**Acquisti in Rete – AiR (“Public Procurement Online”)**. The AiR portal provides access to a fully functional e-procurement platform

[https://www.acquistinretepa.it/opencms/opencms/menu\\_livello\\_1/header/Inglese/PROGRAM](https://www.acquistinretepa.it/opencms/opencms/menu_livello_1/header/Inglese/PROGRAM)

**Netcomm** - Italian E-Commerce Consortium

<http://www.consortionetcomm.it/>

### **General Legislation**

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/fair\\_bus\\_pract/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm)  
[http://ec.europa.eu/avpolicy/reg/avms/index\\_en.htm](http://ec.europa.eu/avpolicy/reg/avms/index_en.htm)

### **Medicine**

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to

prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008. The framework which is still being debated would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

Key Link:

[http://ec.europa.eu/health/human-use/information-to-patient/index\\_en.htm](http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm)

### **Nutrition & Health Claims**

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the Use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol”. The regulation applies to any food or drink product produced for human consumption that is marketed on the EU market. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) will be allowed to carry claims. Nutrition and health claims will only be allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of nutritional labeling directive 90/496/EC and its amended version to come into effect in 2011.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content”. A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

The European Food Safety Authority (EFSA) and the European Commission have compiled a list of 222 approved functional health claims which still need to be agreed upon by the European Parliament in 2012. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to EFSA. Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

Key Link: [http://www.efsa.europa.eu/EFSA/ScientificPanels/NDA/efsa\\_locale-1178620753812\\_1178684448831.htm](http://www.efsa.europa.eu/EFSA/ScientificPanels/NDA/efsa_locale-1178620753812_1178684448831.htm)

### **Food Information to Consumers**

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Key link: [http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF)

### **Food Supplements**

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: [http://ec.europa.eu/food/food/labellingnutrition/supplements/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm)

### **Tobacco**

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the TV without Frontiers Directive. The EU plans to revise the Tobacco Products Directive in 2012 with possible changes could include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging.

Key link: [http://ec.europa.eu/health/tobacco/law/advertising/index\\_en.htm](http://ec.europa.eu/health/tobacco/law/advertising/index_en.htm)

### **Pricing**

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When providing the Italian buyer with a price quote, U.S. firms most frequently provide a quote that includes sales price plus packing costs, insurance, and freight to the named point of destination. (This is called the "CIF" price and is commonly misused because it applies only to sea freight to the port of destination. "CIP" – carriage and insurance paid to destination, is usually more correct: see International Chamber of Commerce INCOTERMS: (<http://www.iccwbo.org/incoterms/id3040/index.html>). Usually, the average Italian business representative can then determine the charges for customs, taxes, and local transportation to arrive at the final landed cost to the importer. The customary terms of sale in Italy are either cash on delivery (which is rare) or settlement 60-120 days after invoice date (more common).

Sales made on cash terms call for payment before delivery, on delivery, or shortly thereafter, that is, usually within 10 days from the date of delivery. A two to five percent discount is made for payment of the full amount of the transaction at the end of the specified period from one to four months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the marketing and sales objective of the seller. A period of up to two years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Italian firms indicate that some U.S. suppliers are too rigid in their payment terms and have thus lost business to other suppliers. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service. While some U.S. manufacturers request payment upon receipt of the goods, more successful

sellers offer terms allowing settlement of the account from 60 to 120 days following the invoice date, which is the most common practice in Italy.

The use of irrevocable letters of credit for the Italian market has declined appreciably in recent years. Although such instruments are still required by U.S. exporters, especially when the Italian customer's credit reputation is not well known, the growing reluctance of Italian firms to provide letters of credit has required U.S. exporters to turn to other methods to assure payment or lose the sale to other suppliers in the competitive Italian market. The Italian businessperson is reluctant to pay a high fee for a letter of credit when other suppliers or means of payment are available. U.S. firms have to put to greater use the export credit insurance and guarantee programs available through the Export-Import Bank of the United States (Ex-Im Bank), the Foreign Credit Insurance Association (FCIA), Fidelity & Deposit, the Overseas Private Investment Corporation (OPIC), American Credit Indemnity (ACI), American International Group – AIG Global & Political Risk Insurance Co. (AIG), Multilateral Investment Guarantee Agency (MIGA), CNA Credit and other export credit insurers.

### **Quotes and Payment Terms**

Italian importers generally prefer price quotes on a CIF or CIP basis, since they are usually familiar with the Italian customs charges and value-added taxes levied on the product at the time of importation, but may not be acquainted with U.S. costs for trucking, ocean, or air freight. Large Italian firms and department stores, however, may prefer to buy on other terms when they arrange for the shipping and insuring the goods. Quotes and invoicing are usually in terms of the currency of selling country.

U.S. quotes, usually stated in dollars and on an FOB (Free on board) basis, are completely acceptable to Italian buyers. The usual practice of U.S. firms selling to a new customer is to require cash against documents for the first sale or two. After establishing credit, the importer will expect to pay by 30-, 60-, or 90-day letter of credit. In all cases, the U.S. exporter will have to decide how to strike a balance between making the sale easier with liberal financing terms versus seeking a sale with more secure payment terms. When first starting out, U.S. firms may often find it necessary to offer their best price and payment terms in order to land the sale in the competitive international market. Later, prices may be adjusted as sales and volume permit.

The Italian buyer may request a quote or shipment of goods under other INCOTERMS (International Commercial Terms). This is a set of international rules defining the important commercial terms and practices. By referencing INCOTERMS in contracts or invoices, both buyer and seller will have a uniform understanding of their responsibilities in an agreement. Copies of the 90-page publication, Guide to INCOTERMS, are obtainable from ICC Publishing, 156 Fifth Avenue, New York, NY 10010, (212) 206-1150. Exporters can also obtain information from the International Chamber of Commerce website: <http://www.iccwbo.org/> or from Dun & Bradstreet Exporters' Encyclopaedia.

Merchandise may be examined by the Italian importer for inventory purposes before customs clearance. Goods cannot clear customs without shipping documents and payment of any required customs duty, applicable value-added taxes and excise taxes. The importer must undertake these formalities at the time of clearing customs. Import

licenses, if required, should be presented by the importer within the period for which they were issued.

## **Sales Service/Customer Support**

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Conscious of the discrepancies among member states in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

### ***Product Liability***

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:

<http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

### ***Product Safety***

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: [http://ec.europa.eu/consumers/safety/prod\\_legis/index\\_en.htm](http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm)

### ***Legal Warranties and After-sales Service***

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: [http://ec.europa.eu/consumers/rights/gen\\_rights\\_en.htm](http://ec.europa.eu/consumers/rights/gen_rights_en.htm)

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

**Protecting Your Intellectual Property in the European Union:**

Several general principles are important for effective management of intellectual property ("IP") rights in the European Union. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in the European Union than in the U.S. Third, rights must be registered and enforced in the European Union, under local laws. Your U.S. trademark and patent registrations will not protect you in the European Union. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the European Union. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in the European Union. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in European Union law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppels, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the European Union require constant attention. Work with legal counsel familiar with European Union laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both European Union or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce



- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: [http://www.uspto.gov/ip/global/attache/Attache\\_Contacts\\_12-23-11.doc](http://www.uspto.gov/ip/global/attache/Attache_Contacts_12-23-11.doc)

## Due Diligence

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Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

## Local Professional Services

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Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>.

**Business Service Providers** is a listing of experienced local firms that offer useful services to U.S. exporters and investors interested in doing business in Italy. U.S. companies in need of such services, such as accountants, consultants, forwarders, etc., are encouraged to view the list of firms on the U.S. Commercial Service Italy website at:

<http://export.gov/italy/businessserviceproviders/index.asp>

## Web Resources

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### EU websites:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community

[http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

Directive on Late Payment:

[http://ec.europa.eu/enterprise/policies/single-market-goods/files/late\\_payments/doc/directive\\_2011\\_7\\_en.pdf](http://ec.europa.eu/enterprise/policies/single-market-goods/files/late_payments/doc/directive_2011_7_en.pdf)

European Ombudsman:

<http://www.ombudsman.europa.eu/home/en/default.htm>

EU's General Data Protection Directive (95/46/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:

<http://www.export.gov/safeharbor/>

Information on contracts for transferring data outside the EU:

[http://ec.europa.eu/justice/policies/privacy/modelcontracts/index\\_en.htm](http://ec.europa.eu/justice/policies/privacy/modelcontracts/index_en.htm)

EU Data Protection Homepage

[http://ec.europa.eu/justice/policies/privacy/index\\_en.htm](http://ec.europa.eu/justice/policies/privacy/index_en.htm)

Distance Selling Rules:

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/dist\\_sell/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm)

Distance Selling of Financial Services:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

E-commerce Directive (2000/31/EC):

[http://ec.europa.eu/internal\\_market/e-commerce/index\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/index_en.htm)

VAT on Electronic Service:

[http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

The Unfair Commercial Practices Directive:

[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/fair\\_bU.S.\\_pract/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bU.S._pract/index_en.htm)

Information to Patients - Major developments:

[http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments\\_en.htm](http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm)

Nutrition and health claims made on foods: Regulation 1924/2006

Provisions of Nutritional Labeling

Nutritional Labeling Directive 90/496/EC

[http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1990:276:0040:0044:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1990:276:0040:0044:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1990:276:0040:0044:EN:PDF)

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative\\_Brussels%20USEU\\_EU-27\\_1-4-2012.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Brussels%20USEU_EU-27_1-4-2012.pdf)

*Guidance document on how companies can apply for health claim authorizations:*

Summary document from EFSA

[http://www.efsa.europa.eu/cs/BlobServer/Scientific\\_Opinion/nda\\_op\\_ej530\\_guidance\\_summary\\_en.pdf?ssbinary=true](http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true)

Full document from EFSA

[http://www.efsa.europa.eu/cs/BlobServer/Scientific\\_Opinion/nda\\_op\\_ej530\\_guidance\\_%20health\\_claim\\_en.pdf,2.pdf?ssbinary=true](http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_%20health_claim_en.pdf,2.pdf?ssbinary=true)

Health & Nutrition Claims

[http://ec.europa.eu/food/food/labellingnutrition/claims/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm)

Tobacco

[http://ec.europa.eu/health/tobacco/policy/index\\_en.htm](http://ec.europa.eu/health/tobacco/policy/index_en.htm)

Product Liability:

[http://europa.eu/legislation\\_summaries/consumers/consumer\\_safety/l32012\\_en.htm](http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm)

Product Safety

[http://ec.europa.eu/consumers/safety/prod\\_legis/index\\_en.htm](http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm)

Legal Warranties and After-Sales Service:

[http://ec.europa.eu/consumers/rights/gen\\_rights\\_en.htm](http://ec.europa.eu/consumers/rights/gen_rights_en.htm)

Copyright: [http://ec.europa.eu/internal\\_market/copyright/documents/documents\\_en.htm](http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm)

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

[http://ec.europa.eu/internal\\_market/indprop/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/index_en.htm)

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)

<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid

<http://www.wipo.int/madrid/en>

Directive on harmonizing trademark laws:

[http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm)

#### **U.S. websites:**

IPR Toolkit:

<http://export.gov/europeanunion/marketresearch/intellectualpropertyrightssector/index.asp>

EU Public Procurement:

<http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp>

Local Professional Services: [http://export.gov/europeanunion/eg\\_eu\\_030910.asp](http://export.gov/europeanunion/eg_eu_030910.asp) .

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## Chapter 4: Leading Sectors for U.S. Export and Investment

### COMMERCIAL SECTORS

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- [Telecommunications Equipment and Services \(TEL & TES\)](#)
- [Renewable Energy – Equipment and Services \(REQ\)](#)
- [Travel and Tourism \(TRA\)](#)
- [Automotive - Motorcycles](#)
- [Medical Devices \(Med\)](#)
- [Safety and Security Equipment \(SEC\)](#)
- [Airport and Ground Support Services \(APG\)](#)
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- [AGRICULTURAL SECTOR](#)
- 

### Building products and architectural and engineering services for energy efficiency (BLD/ACE)

#### Overview

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The following tables summarize recent and future trends in the Italian construction sector:

Table 1: Investments in construction

	2010	2011	2012 (estimated)	2013 (estimated)
Overall Construction	187,481	180,956	177,521	<b>182,966</b>
Residential	94,824	93,893	93,712	<b>96,808</b>
new	40,559	38,267	36,689	<b>37,790</b>
renovation	<b>54,265</b>	<b>55,627</b>	<b>57,023</b>	<b>59,018</b>
Non residential	92,657	87,063	83,809	<b>86,158</b>
private	53,940	51,717	50,641	<b>52,161</b>
public works	38,717	35,345	33,168	<b>33,997</b>
exchange rate used: EUR to USD	0.750	0.750	0.750	0.750

Values in USD Millions

Sources: ANCE (Italian association of construction firms) + CRESME (non-profit construction sector research center) + unofficial estimates for the year 2013

Table 2: Investments in construction: % change in value in local currency vs. previous year – in real terms

	2010	2011	2012 (estimated)	2013 (estimated)
Overall Construction	-6.60%	-5.40%	-3.80%	<b>1.10%</b>
Residential	-5.2%	-2.90%	-2.10%	<b>1.30%</b>
new	-12.40%	-7.50%	-6.00%	<b>1.00%</b>
<b>renovation</b>	<b>1.10%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>1.50%</b>
Non residential	-8.10%	-7.90%	-5.60%	<b>0.80%</b>
private	-5.40%	-6.00%	-4.00%	<b>1.00%</b>
public works	-11.60%	-10.50%	-8.00%	<b>0.5%</b>

Sources: ANCE (Italian association of construction firms) + CRESME (non-profit construction sector research center) + unofficial estimates for the year 2013

The construction sector is fundamental to the Italian economy: it accounts for about 13 percent of Italy's GDP and employs about 3 million workers. However, as the above tables show, the overall state of the Italian construction sector is weak. A 7-year growth trend in construction activities halted in 2008, mainly because of the global recession and because of cyclical factors. The decline continued for the following three years. ANCE, the Italian association of construction firms, does not yet expect a recovery for 2012. ANCE and sector experts hope that a recovery will take place in 2013 for all types of construction activities.

Throughout the decline phase only renovation activities, which account for about a third of overall investments in construction, have been growing and are expected to continue doing so. This is mainly because of Italian Government policies and incentives promoting energy efficiency in new and existing buildings. In fact, energy efficiency across all sectors is a priority of the Italian Government, in order to both reduce the country's dependency on foreign imports of energy (Italy currently imports 87 percent of the energy that it consumes) and to meet European Union (EU – of which Italy is a member) energy efficiency targets for member countries. Therefore, since the construction sector is responsible for 36 percent of the country's energy consumption, the Government of Italy has been focusing on improving its energy efficiency by means of new legislation that transposes into Italian law recent EU Directives on the "Energy Performance of Buildings" and incentives that promote energy efficiency.

The new legislation sets energy efficiency targets for new constructions and major renovation works and also mandates energy certification for housing units for sale or rental. The most notable incentive offered thus far is a 55 percent tax deduction for energy efficient renovation works, which was supposed to expire at the end of 2011 but whose lifespan was extended through 2012 by Italy's new Government. Starting from January 1<sup>st</sup> 2013 the deduction will drop to 36 percent and will continue in that form for the following years. So far it has been used for one million buildings. Another noteworthy form of incentive is the Energy Efficiency Certificate (or "White Certificate") scheme, created with the aim of promoting energy efficiency in the final uses of energy, and the first of its kind globally. The scheme mandates that electricity and natural gas

distributors achieve yearly energy saving targets certified by the presentation of a corresponding number of white certificates (each equal to one TOE – Ton of Oil Equivalent). The distributors can reach their target either by implementing energy efficiency solutions among end-users or by buying white certificates from other distributors. All of the above measures have worked out well: as of December 2010, Italy saved 47,800 GWh per year, more than what the Government's 2007 action plan for energy efficiency had forecasted (about 35,658 GWh/year), with the construction sector contributing the most savings.

Furthermore, Italian consumers are increasingly becoming aware of the economic savings and higher building value brought about by the adoption of energy efficient building products and services in their homes or work environments (they are already very well aware of the advantages of solar photovoltaic technologies, thanks to Italy's adoption of one of the most generous feed-in incentive schemes in the world). Demand is growing for new housing and commercial units in high ("A" or "B") energy performance classes, as shown on the energy certificates now required for all rentals and sales. Buyers and renters of existing and renovated housing units are also paying close attention to the energy class in which the unit is listed.

In conclusion, in Italy both the new construction and the 13.7 million existing residential and non residential buildings, most of which in need of renovation, present enormous opportunities for technologies and services that improve energy efficiency. Those technologies and services that are most needed, and where U.S. industry has the best chance of succeeding, will be outlined in the next section.

## **Best Prospects**

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### **I. Building products for energy efficiency**

#### *Heat Pumps:*

In addition to being one of the most efficient year-round HVAC systems available, heat pumps can greatly contribute to the EU's energy efficiency improvement targets, because they generate energy savings ranging from 40 percent to 60 percent and similar CO2 reductions. As a consequence they also help in "raising" the energy class in which a building is listed. Considering that in Italy HVAC is normally performed through a combination of a boiler heating system in the Winter and an independent air conditioning unit in the Summer, and assuming that 30 percent of the demand for HVAC instead could be satisfied by annual cycle heat pumps (a single system, both for heating and for air-conditioning), it would be possible to reduce the country's primary energy consumption by 4.6 million TOEs, with a decrease of 23 percent in total energy consumption. This would be equivalent to a reduction of about 10.5 million tons of CO2 emissions into the atmosphere. Heat pumps in Italy can increasingly be found as the main component of air conditioning systems (91 percent of split systems in Italy operate through a heat pump principle) and are more and more utilized for harnessing geothermal energy.

#### *High Efficiency Motors/Inverters:*

Production of electricity is responsible for 37 percent of global energy consumption. Specifically, in developed countries, tri-phase motors account for 45 percent of energy uses. With the highest electricity cost in Europe for end users, Italy presents great opportunities for savings in this area. Additionally, the EU has been issuing regulations

that set minimum performance targets for motors. Currently only between 3 and 4 percent of the 1.3 million electrical motors installed in Italy yearly in industrial and building applications are in a high efficiency class. Starting in March 2012 the Government of Italy will provide funding for the substitution of electrical motors in industry with high efficiency motors as part of a Euro 600 million financing plan for renewables and energy efficiency. U.S. providers of high efficiency motors and inverters will find favorable ground in Italy.

#### *LED Lighting:*

Time for incandescent light bulbs in Italy is running out: they are increasingly being replaced by fluorescent bulbs and, by 2016, they will cease to be produced all over the EU, together with energy efficiency class "C" light bulbs. Many Italian cities and towns are aware of the advantages and convenience of LED technology and are adopting it for traffic lights and public and street lighting. LED technology is also finding commercial applications in retail and large structures such as ships and hotels. While high prices still limit the adoption of LED lights in private homes, it can certainly be said that Italy holds great opportunities for providers of LED technologies in all applications.

#### *Technologies for home and building automation and smart grids:*

Currently automation systems for commercial and public buildings make up about 9 percent of the overall automation market in Italy. Italy is being affected by a number of social changes, such as increased lack of exercise, higher security concerns, aging of the population and increasing energy costs for employers and landlords. These have spurred the demand for automation technologies that can address the needs for climate and alarm monitoring, lighting management, access control, energy efficiency in homes and large buildings. A recent revision to the EU's Energy Performance of Buildings Directive calls for all member states (including Italy) to foster the penetration of active control systems in buildings. While the Italian Government still has to transpose into local legislation the EU revision and therefore incentivize the users that adopt home and building automation solutions, certain local governments, such as the Region of Emilia Romagna, are already doing so. Furthermore, a "smart building" is just a step towards the creation of a "smart grid", where metering systems measure the actual energy needs of a building and where buildings are both users and producers of energy. Italy has been at the forefront worldwide in setting up a smart grid and presents opportunities for providers of advanced smart grid technologies.

## **II. Architectural and engineering services for energy efficiency**

#### *LEED consulting services:*

The U.S. - developed Leadership in Energy & Environmental Design (LEED) green building certification system is increasingly being adopted as the reference standard in commercial construction in Italy. Sector experts actually forecast that LEED will become the standard of reference in Italy for the certification of large buildings, with the Italian-developed "ITACA" standard being applied to buildings of smaller size. LEED is championed in Italy by Green Building Council Italia (GBC Italia), which is part of the worldwide network of green building councils of which the U.S. Green Building Council is also a member. As of February 2012, there are 14 non-confidential LEED certified projects, and 81 non-confidential LEED registered projects (i.e. projects currently undergoing LEED certification) in Italy, but the actual figures, which include confidential projects, are higher. GBC Italia estimates the size of the Italian market for LEED projects to be € 3 billion. As a result of the growing acceptance of LEED, Italian construction



professionals are in need of the U.S. architectural and engineering expertise required to develop LEED projects in the country.

#### *ESCOs:*

Much of the growth of Energy Service Companies (ESCOs) in Italy has been a result of the recent legislative efforts aimed at energy saving. Most Italian ESCOs operate in the North and are rather small. When performing their energy saving projects, ESCOs in Italy focus mostly on lighting, heating and cogeneration of heating and lighting. The Italian central and local governments are major clients of ESCOs and since they usually lacking in funding, there are laws that allow them the possibility to resort to third party financing (TPF). Hospitals are also major clients of ESCOs. The private sector and especially small and mid size companies now present the biggest opportunities for ESCOs, although financing, for both Italian ESCOs and for their clients, is a major stumbling block. Opportunities exist for large and financially sound U.S. ESCOs, preferably in joint projects with Italian entities.

#### **Opportunities**

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#### **2012 Government Incentives for Energy Efficiency**

The Government of Italy is continuing its legislative and regulatory work for the promotion of energy efficiency in construction. Within the first six months of 2012 it is expected that the Government will issue a new law decree that will define future incentives for energy efficiency. The Ministry of Economic Development and the Ministry of Environment are currently working on the text of the decree. There is high hope that new forms of incentives, in addition to the 55 percent tax deduction previously mentioned, will be announced for building automation, public buildings, heat pumps, condensation boilers, solar thermal systems and more. Also, as previously mentioned, beginning in March 2012 the Government of Italy will provide funding for the substitution of electrical motors in industry with high efficiency motors as part of a Euro 600 million financing plan for renewables and energy efficiency. All of the above measures should present opportunities for suppliers of technologies and services that relate to the above.

#### **2012 Government plan for the modernization and energy upgrade of schools**

In February 2012 the Italian Government also announced a new plan for the modernization and energy upgrade of school buildings. In addition to renovation works, the plan calls for the building of new schools, in accordance with energy efficiency and pollution emissions reduction criteria. A law decree is expected to be issued shortly. Implementing guidelines, which will adjust current Italian technical regulations to EU standards and to the latest theories in school building and maintenance, will follow within 60 days. School and university administrations will then have 24 months to implement maintenance and energy efficiency measures for the buildings. This should present opportunities for suppliers of energy efficiency technologies and services.

#### **Expo 2015**

The city of Milan will host the 2015 World Expo and it is expected that construction will have to conform to sustainability criteria. This could be an opportunity for LEED certification and for suppliers of know-how and products that help achieve LEED certification. € 1.746 billion will be invested by the Italian Government, by local governments and by the private sector to prepare the site and construct the necessary facilities (€ 1.235 billion), to connect the site to the surrounding area (€ 359 million), and to improve the accommodation capacity and to carry out other technical work (about €

152 million). The private sector (companies, financial institutions, etc.) has shown great interest in the infrastructure works. It is estimated that private businesses will invest roughly € 241 million of the € 1.746 billion figure quoted above. In addition to issuing tenders, the Expo organizers are seeking joint venture partners and sponsors for specific types of works. The U.S. Commercial Service office in Milan will continue to inform U.S. companies about all types of Expo-related opportunities.

#### **Web Resources**

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#### **Trade shows:**

##### *Mostra Convegno Expocomfort (MCE):*

March 27 – 30 2012, Milan, Italy

Organized by Reed Exhibitions and supported by the U.S. Commercial Service, MCE is a biennial event held in even years and the leading international event for heating, air conditioning, refrigeration, plumbing technology, water treatment and HVAC components, with a special focus on energy efficiency. It hosts over 2,100 exhibitors and 157,000 trade visitors and buyers from 138 countries. The U.S. Commercial Service will support U.S. exhibitors at the show through a range of free and fee-based services (market research, matchmaking and more). For more information contact Federico Bevini at [Federico.bevini@trade.gov](mailto:Federico.bevini@trade.gov).

##### *Greenbuilding/Solarexpo:*

May 9 – 11 2012, Verona, Italy

Solarexpo is Italy's premier trade show, and one of the top events of its type in Europe, devoted to solar energy, bioenergy and other renewable sources. Greenbuilding is also one of Italy's most important shows for energy efficiency and sustainable architecture. The two shows are co-located and managed by the same organizer. Historically held in Verona, Italy, as of 2013 they will take place at the larger and more prestigious Milan fairgrounds. They will also feature a high level conference and seminar program, including the internationally attended Italian PV Summit. Solarexpo and Greenbuilding are expected to feature over 1,200 exhibitors and represented brands and to attract 70,000 visitors. The U.S. Commercial Service will support U.S. exhibitors at the show through a range of free and fee-based services (market research, matchmaking and more). For more information please visit:

<http://export.gov/italy/tradeevents/solarexpogreenbuilding045495.asp>

##### *Greenbuild:*

November 14 – 16, San Francisco

The Greenbuild International Conference & Expo, sponsored by the U.S. Green Building Council (USGBC) is a world-class event dedicated to green building. Thousands of building professionals will come together for three days of outstanding educational sessions, renowned speakers, green building tours, special seminars, and networking events. The U.S. Commercial Service in Italy will lead a delegation of buyers and energy efficiency experts from Italy and possibly other European countries to the show. For more information contact Federico Bevini at [Federico.bevini@trade.gov](mailto:Federico.bevini@trade.gov).

#### **Key websites:**

ANCE - National Association of Italian Contractors  
[www.ance.it](http://www.ance.it)

Green Building Council – Italy Chapter  
[www.gbciitalia.org](http://www.gbciitalia.org)

Green Building Certification Institute  
<http://www.gbci.org/Homepage.aspx>

Lists of non-confidential certified and registered LEED projects in Italy are available at:  
<http://www.usgbc.org/LEED/Project/CertifiedProjectList.aspx>  
<http://www.usgbc.org/LEED/Project/RegisteredProjectList.aspx>

Expo 2015 official website:  
<http://www.expo2015.org/>

With respect to marketing building products and architectural and engineering services it is advisable for U.S. companies to find a local Italian partner. The U.S. Commercial Service in Italy can assist with that. Please contact:

U.S. Commercial Service Trade Specialist in Milan:  
Federico Bevini  
[Federico.Bevini@trade.gov](mailto:Federico.Bevini@trade.gov)  
Ph.: +39 02 626 88 520  
[www.buyusa.it](http://www.buyusa.it)

Field Code Changed

## TELECOMMUNICATIONS EQUIPMENT AND SERVICES (TEL & TES)

### Overview

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Unit: USD million				
	2010	2011 (estimated)	2012 (estimated)	2013 (estimated)
Total Market Size	57,910	55,310	54,475	54,910
Total Local Production	49,805	47,560	46,850	47,220
Total Exports	4,350	4,140	4,090	4,110
Total Imports	12,455	11,890	11,715	11,800
Imports from the U.S.	7,475	7,135	7,030	7,085
Exchange Rate: 1 USD	0.75	0.7218	0.7218	0.7218

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)  
The above statistics are unofficial estimates, referring to the market for telecommunications equipment and services. They are based on reports and statistics from:  
Assinform - Italian Association of Information and Communications Technology companies  
ISTAT – National Institute of Statistics

The Italian market for telecommunications equipment and services is the third largest in

Europe. Italy is also the second largest mobile communications market in Western Europe and one of the most advanced. Mobile phone diffusion in Italy is among the highest in the world, with 95 million active SIM cards (with multiple-SIM ownership and including USB internet keys) and over 46.5 million users, three quarters of the total Italian population. Italy is also one of the top countries in Europe for the number of smartphone owners, who total 24 million and are estimated to become 30 million by the end of 2012.

With regard to Internet usage, the market is experiencing continuing growth and has reached over 39 million users and a broadband penetration of more than 22 percent of the population. xDSL is utilized in about 96 percent of broadband connections. Fiber-optics broadband represents only about 4 percent, but fiber infrastructure is steadily developing and many FttH (Fiber-to-the-Home) projects have been started in the largest Italian cities. There are also a number of municipal projects supplementing the efforts of the telecom operators.

The overall Italian telecom market has stagnated in recent years and sector growth in the next one to two years will be further hindered. Preliminary estimates indicate that in 2011 the Italian telecommunication services market was worth about USD 27 billion, a slight fall from 2010. The multimedia and data services sectors grew slightly, counterbalancing the decline in the fixed-line market expected to have reached only USD 10.7 billion in 2011 compared to about USD 11.4 billion in 2010. The internet access market, worth USD 5.7 billion in 2010, is estimated to have been USD 5.9 billion in 2011.

Mobile data services are expected to continue to grow and to represent one of the main market drivers. With over 95 percent 3G coverage via UMTS/HSDPA and WiMAX networks, mobile broadband has represented an important tool for increasing competition in the overall broadband market and reducing the digital divide in rural areas. In addition, mobile broadband has become crucial for mobile network operators (MNOs) to withstand the continuing decrease in mobile voice revenue and raise overall ARPU (average revenue per user).

With this in mind, at the end of 2011 all four mobile network operators in Italy - Telecom Italia, Vodafone, VimpelCom's Wind and H3G (Hutchison Whampoa Group) - participated in the country's spectrum auction and paid a total of USD 5.2 billion for blocks of spectrum in the 800MHz, 1800MHz, 2GHz and 2.6GHz bands. This will enable them to develop next-generation, ultra-broadband mobile networks based on LTE (Long-Term Evolution) technology, providing a greater range of advanced mobile services and high-definition multimedia content at the same time, with data transmission speeds of more than 100 Mbit/s. First commercial launches are expected during 2012 and full deployment in 2013. Over the next few years, Italian MNOs are planning to invest USD 8 billion to develop LTE networks. These networks will improve national broadband connectivity while spearheading the valuable mobile data sector through the offer of new, technologically-advanced services that meet the needs for increasing quantities of traffic generated by cellphones, USB dongles, smart phones and tablets.

On the other hand, the delay in the development of the much needed ultra-high speed next generation networks (NGNs) and the lack of cooperation between telecom operators is hindering the development of the sector, in spite of several infrastructure projects

related to the development of fiber networks initiated by Italian regions, municipalities and provinces.

Good opportunities for American companies exist in specific market niches.

## **Best Prospects/Services**

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### *Cloud Computing*

The adoption of remote computing services via the Web is expected to experience a double-digit growth in 2012. Besides email and individual productivity tools - such as sharing calendars and documents -, strong development is expected in the adoption of mobile applications, web conferencing and collaboration solutions, website/portal and social tool applications.

### *Unified Communications*

Thanks to the development of 4G LTE networks, fixed-mobile convergence (FMC) is expected to develop considerably in the next two years, stimulating the need for products and services allowing the access to company information and services via mobile devices and the seamless integration of mobile and fixed-line telephone services. Unified communication solutions will experience constant growth and, in many cases, will rely upon mobile cloud computing.

### *Mobile Commerce*

Mobile commerce is growing significantly, thanks to the increasing number of mobile surfers who utilize the latest generation smartphones and tablets and take advantage of mobile surfing flat tariffs. The mobile commerce market was estimated to be worth USD 112 million (+210 percent over 2010), and was mostly utilized for online consumers auction and flights/hotel reservations/ changes.

### *Mobile Payment*

Mobile payment solutions are expected to increase considerably, in view of the development of mobile commerce and of near-field-communication technologies; in addition, the implementation of new legislation which clearly identifies the payment institutions (PI) and their role will facilitate the growth of this market segment.

### *Mobile Security Solutions*

Only 34 percent of Italian smartphones owners have installed an anti-virus (vs. 91 percent for PCs). Large companies want to protect their sensitive data and will be in need of integrated security solutions.

### *Mobile Marketing & Services*

The number of Italian companies adopting mobile marketing and services solutions has been constantly increasing. Investments in mobile advertising in 2011 grew 50 percent over 2010, reaching USD 75 million in 2011. Mobile marketing & services applications developed by just the 100 top spenders in advertising grew 129 percent and excellent opportunities exist for specialized US companies.

### *Mobile Applications*

Mobile applications distributed by application stores have been booming. In particular, mobile gambling has grown over 28 percent. Italy is among the world's top countries in

the use of social networks and it is estimated that more than 8 million people have accessed Facebook via smartphone.

U.S. technology and standards are highly regarded, and good opportunities exist for American companies offering innovative and sophisticated products and services. However, it is important that U.S. companies team up with well-established Italian firms for distribution or joint venture agreements in order to handle the burdensome bureaucratic procedures of public procurement.

## Opportunities

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### *The Digital Agenda*

To comply with the European Union Digital Agenda recommendations, the new Italian Government is committed to increasing the efforts to overcome the “digital divide” and to foster ICT demand, by improving three fundamental factors for growth and modernization in Italy: development and efficiency of public services, business innovation and development of broadband infrastructures. In particular, the development of broadband and of the new generation networks (NGN) is considered strategic to ensure a competitive market.

The Italian government recognized the need for new projects and investments in telecoms and information technology in the following areas: implementation of technological and digital infrastructures for “smart communities”; development of digital administration (e-government) applications for the improvement of services to citizens and enterprises; promotion of “cloud” computing architectures for activities and services of public administrations and bodies; use of innovative public procurement and pre-commercial procurement (PCP) solutions; development of “last mile” infrastructures to promote the access to the web in large public areas such as schools, universities, urban open areas and public premises in general; and strengthening of investments in digital technologies for the school and university systems. If it materializes, this very ambitious program may represent an excellent opportunity for highly specialized American companies offering innovative products and services in the above areas.

### *Lombardy Region Fiber Network*

The Lombardy Region has recently presented its project for the development of a fiber network which by 2020 will provide 100 megabit connections to about 4.2 million citizens (50 percent of the Lombardy population). In addition to this, there are several projects from Telecom Italia and other telecom operators on one side, and from a number of Italian regions, municipalities and provinces to bring FttH to millions of citizens.

## Resources

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Ministry of Economic Development – Communications Department  
[http://www2.comunicazioni.it/english\\_version/](http://www2.comunicazioni.it/english_version/)

AGCOM – Communications Regulatory Authority  
[http://www2.agcom.it/eng/eng\\_intro.htm](http://www2.agcom.it/eng/eng_intro.htm)

Italian Ministry for Public Administration and Innovation - Department of Innovation and Technology  
<http://www.funzionepubblica.gov.it/> (in Italian only)

DigitPA – National Center for ICT in Public Administration  
<http://www.digitpa.gov.it/> (in Italian only)

CONSIP – Agency for the development and management of public e-procurement  
[https://www.acquistinretepa.it/opencms/opencms/menu\\_livello\\_1/header/Inglese/PROGRAM](https://www.acquistinretepa.it/opencms/opencms/menu_livello_1/header/Inglese/PROGRAM)

Confindustria Servizi Innovativi - Italian Federation of companies and associations in the telecommunication, broadcasting and information technology industries  
<http://www.confindustriasi.it/sezione4.html>

Assinform (Italian ICT companies Association) -  
[http://www.assinform.it/english\\_version/\\_profilo\\_eng.htm](http://www.assinform.it/english_version/_profilo_eng.htm)

Assintel (Italian ICT companies Association – smaller companies)  
[www.assintel.it](http://www.assintel.it) (in Italian only)

Public Administrations make most purchases by public tenders open to both domestic and foreign companies. Announcements of tenders on public procurements are monitored by the U.S. Mission to the European Union and can be accessed through the webpage: <http://export.gov/europeanunion/>

## RENEWABLE ENERGY – Equipment and Services

### Overview

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	2010	2011 est.	2012 est.	2013 est.
Total Market Size	42450	48820	52725	55360
Total Local Production	41815	48090	51935	54530
Total Exports	1275	1465	1580	1660
Total Imports	1910	2195	2370	2490
Imports from the U.S.	710	815	880	920
Exchange Rate: 1 USD	0.75	0.7218	0.7218	0.7218

Total Market Size (Unit: USD millions) = (Total Local Production + Total Imports) – (Total Exports)

*The above data are unofficial estimates, elaborated from reports & statistics from:*

*GSE Gestore dei Servizi Elettrici – Agency promoting the development of renewable energy sources*  
*GME – Electricity Market Managing Agency*  
*ENEA – National Energy Agency*  
*ISTAT - National Institute of Statistics*  
*ANEV – Wind Industry Association*  
*GIFI/ANIE – Italian PV Companies Association*

The promotion of alternative sources of energy is a necessity in Italy, since the country still depends on foreign supplies for about 75 percent of its needs. With an estimated gross energy production from renewable energy sources (RES) exceeding 75 TWh, Italy is one of the European leaders in RES development and is considered one of the world's most attractive markets for renewable energy projects. Particularly strong are Italy's opportunities in solar, geothermal, onshore wind and infrastructure projects. Preliminary estimates indicate that in 2011 the total RES turnover reached USD 48.8 billion, with the photovoltaics sector registering a skyrocket growth. In spite of the current revision of the incentives to be offered to each renewable energy source, the market is expected to continue growing at sustained rates in the next two years. The exponential growth of the renewable energy sector in Italy is driven by sky-high energy rates, national and local government subsidies (feed-in tariffs, "Green Certificates" system and new investments in the research and technology areas), compliance with Europe's mandatory renewable energy targets, recent Italian legislation that sets energy efficiency requirements in building construction and the country's favorable climate conditions.

To comply with European Directive 2009/28/CE - the so-called "20-20-20" to fight climate change - Italy is required to achieve a target of 17 percent of total energy consumption from renewable sources by 2020. The National Renewable Energy Action Plan (NREAP), submitted by the Italian Government to the EU Commission in 2010, outlines the development strategy and support policies to meet this legally binding goal by 2020 through the implementation of administrative, technological, fiscal and financial measures. The targets originally indicated, which called for wind sources to contribute 12.7 GW, solar sources 8.5 GW and biomass 4.6 GW of the total energy consumption by 2020, are currently being revised and a "burden sharing" is going to be assigned to each Italian region.

Hydropower has traditionally been the most significant source of green energy in Italy. It still accounts for about 15 percent of the total gross electricity production in Italy and represents close to 70 percent of renewable energies production, with over 50 TWh estimated in 2011. Although the sector has practically reached its maximum production capacity for large plants, space for growth still exists for the sector of micro-hydro plants - between 5 kW and 10 MW, which in the past two years have seen the proliferation of over 4,000 small plants.

The geothermal sector also holds an important position in Italy. Although production has been limited to the Tuscany Region, Italy is third in the world and first in Western Europe with a production of about 6 TWh and a weight of around 1.8 percent on total energy produced. Italy has also received European Union financing and is participating in an EU project aimed at the development of geothermal district heating (GeoDH) systems in Europe.

With regard to the photovoltaics sector, the incentives offered by the Feed-in-Tariff (FiT) or "Conto Energia" over the past few years have proven to be extremely effective in



boosting PV implementation. In 2011, Italy became the most important PV market in the world, with 9 GWh of newly connected systems (compared to 2.3 GWh in 2010). Solar energy production increased tenfold in a little more than two years, from 1 GWh in 2009 to over 12 GWh at the beginning of the 2012, already far exceeding the targets set for 2020, with a total of about 330,000 operating plants. This exceptional growth in 2011 was mainly due to a rush of installations to be connected by mid-2011 in order to benefit from the more advantageous 2010 Feed-in Tariffs (FiT or “Conto Energia”). Although stricter conditions and reduced incentives are being considered for the new 2012 FiT, it is expected that the solar energy market will continue to grow at high rates in the next two years, with 2.7 GWh installed in 2012 and 2.6 GWh in 2013. Grid parity is anticipated to be reached in 2013. Also the Italian Concentrating Solar Power (CSP) industry, although in its early stages, is expected to gain momentum in the next five years and to contribute to the growth of the RES industry.

The wind energy sector has also registered considerable and constant growth over the past few years and in 2011 it grew 5.2 percent, with 950 MWh of new onshore installations. In spite of cuts in “Green Certificate” incentives, which have drastically reduced the margins for the investors, the wind energy sector is projected to continue growing slowly but steadily, reaching its forecasted 12.7 GWh target by 2020. Although Italy does not possess all the ideal conditions to fully take advantage of traditional offshore wind technology, feasibility studies based on the Mediterranean Sea characteristics are presently being carried out and good developments are expected in the short-medium term.

With regard to biomass (including solid biomass, bioliquids, biodegradable waste and biogas), power generated by this type of resource has had a constant growth of 10 percent to 15 percent over the past few years. Presently, biomass represents more than 11 percent of the power generated by renewable sources and 2.7 percent of the whole power. It is anticipated to continue growing at an annual rate of 6 percent in the next few years.

#### Best Products/Services

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The following products have excellent prospects:

**Solar energy:** high efficiency PV modules; Building-Integrated Photovoltaics (BIPV) solutions; PV tiles/PV shingles; PV sun shades, canopies and shelters; concentrating PV plants; CSP solutions; anti-theft devices for PV modules.

**Wind:** mini-aeolic solutions and offshore wind plants

**Hydroelectric:** mini-hydro solutions

**Geothermal:** innovative solutions for geothermal district heating

**Biomass:** Italy has a large and growing market for heating systems that use pellets. The growth of the Italian market and the difficulty to satisfy the demand for pellets has led to an increase in foreign pellet imports. Consequently there should be a good potential for sales of U.S. wood pellets.

#### Opportunities

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**Smart Grid:** further development of the renewable energy sector requires a modernization of the Italian energy network in order to facilitate access to the market and to improve energy distribution. To this end, the smart grid system is going to be

introduced in Italy in the short term. U.S. technologies and experiences could be therefore useful for Italian energy operators and institutions, and this may represent a real opportunity for U.S. companies. American firms with established offices in Europe and offering innovative solutions in this field may be taken into consideration to become technology partners for the “Ricerca di Sistema”(System Research) Fund, which finances R&D aimed at technology innovation for the development and management of the electric grid, improvement of its efficiency, security, and environmental sustainability.

***Building-Integrated Photovoltaics Solutions:*** the most advantageous solar energy incentives are now offered to full building integrated PV solutions with innovative features. The Italian market is particularly attractive for those U.S. exporters specializing in innovative integrated PV solutions for rooftops, walls and windows and in large-scale rooftops for residential, commercial and industrial buildings.

***Energy storage:*** energy storage systems for solar and wind power are becoming increasingly of interest to the Italian energy players and good opportunities exist for US companies offering advanced products in this area. Terna, the Italian company which owns and operates around 98 percent of the Italian high-voltage power transmission grid, has recently presented a prequalification call for the implementation of 130 MW of electrochemical batteries. Eight pilot projects to experiment the intelligent management of local energy distribution networks will also implement highly advanced energy storage systems, such as the large lithium ions batteries developed by the energy company ENEL.

***Summary:*** Renewable energy is considered one of the key resources for the future Italian economic development and presents good market opportunities for U.S. exporters. Green energy projects also offer opportunities for cooperation between U.S. and Italian firms to manage new investments and to exchange know-how and technologies. U.S. advanced technology is well known and appreciated in Italy and there exists strong potential for U.S. renewable energy firms. Small and medium-sized enterprises may find good business opportunities, but it is essential that new-to-market companies use the expertise and services of well-established representatives, who in this specific subsector may be specialized distributors or installers. Local representatives can prove to be very useful when dealing with public entities for large procurements and supplies. As far as the new investments in Italy are concerned, it is important to note that the public sector is often slow in paying for purchases from both foreign and domestic suppliers. This should be considered in both bidding processes and quotes.

### **Trade Promotion Opportunities**

In view of the booming Italian solar energy market, it is strongly recommended that American exporters participate in the **USA Pavilion at the Solarexpo & Greenbuilding trade show** in beautiful Verona, May 9-11, 2012. This combined trade show will be one of the most important solar/greenbuilding events in the world this year, featuring 1,200 exhibitors, 72,000 visitors and a high-level conference program. Solarexpo is an excellent way to reach the PV community in Italy and in neighboring countries and is a useful vehicle to keep up with the industry. For a minimal fee, the U.S. Commercial Service in Italy will offer each participant an individual fully constructed and fully furnished booth in the USA Pavilion, a schedule of pre-arranged one-on-one appointments with qualified business contacts, shared Italian interpreter services during

the event, on-site counseling and networking assistance, plus logistical assistance before, during and after the show. For further information, please contact Commercial Specialist Nicoletta Postiglione (see below).

## Web Resources

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[Nicoletta.Postiglione@trade.gov](mailto:Nicoletta.Postiglione@trade.gov)  
<http://export.gov/italy/>

ASSOSOLARE - National Photovoltaic Industry Association  
<http://www.assosolare.org/associazione/about/>

APER – Italian Renewable Energy Producers Association - <http://www.aper.it>

ANEV – Wind Industry Association - <http://www.anev.org/>

AUTORITA' PER L'ENERGIA ELETTRICA ED IL GAS - Regulatory Authority for Electricity and Gas - <http://www.autorita.energia.it>

COGENA -Italian Cogeneration Promotion Association  
<http://cogena.ascomac.it/home/home.aspx>

ENEA – National Agency for New Technologies, Energy and Sustainable Economic Development - <http://old.enea.it/com/ingl/default.htm>

EPIA - European Photovoltaic Industry Association - <http://www.epia.org>

GIFI/ANIE – Italian PV Companies Association - <http://www.gifi-fv.it/cms/en>

GME SpA – Electricity Market Managing Agency  
<http://www.mercatoelettrico.org/En/GME/Info/ProfiloAziendale.aspx>

GSE SpA - Gestore dei Servizi Elettrici – Agency promoting the development of renewable energy sources and managing the FiT program  
<http://www.gse.it/Eng/Pagine/default.aspx>

<http://minihydro.rse-web.it/News/News.asp>

## TRAVEL AND TOURISM

### Overview

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Unit: USD thousands

	2010	2011 (estimated)	2012 (estimated)	2013 (estimated)
Total Market Size	46,944,330	46,408,630	48,257,770	46,924,515
Total Local Production	58,732,000	60,049,960	62,308,000	64,177,240
Total Exports	39,009,000	41,273,330	42,511,190	46,567,525
Total Imports	27,221,330	27,632,000	28,460,960	29,314,800
Imports from the U.S.	3,211,000	3,310,000	3,400,000	3,502,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unioncamere-Isnart

Total Exports: Banca d'Italia

Total Imports: Banca d'Italia

Imports from U.S.: U.S. Department of Commerce, International Trade  
Administration, Office of Travel and Tourism Industries

The first eleven months of 2011 showed an increase of 8.5 percent in the number of Italians travelling to the United States. Even in the face of the economic slowdown, Italians continue to go on vacation and they generally enjoy spending at least one or two weeks either at the seaside, in the mountains or visiting foreign countries. Italians do not give up traveling altogether, but many are shortening the length of their trips and/or looking to reduce expenses. So called "last minute" trips are becoming popular again, despite all the efforts of the Italian tour operators to encourage advance bookings.

The United States continues to be the preferred long-haul destination for Italian tourists. According to Banca d'Italia, in 2010 the USA ranked first in the number of Italians traveling to a long-haul destination, with about 16 million overnights. Italian visitors to other long-haul destination countries are far from reaching the same number of visitors that the United States continues to attract. China and Brazil recorded 6.5 million overnights by Italian travelers, followed by Australia and Mexico, with close to 3 million overnights.

At the end of the '90s, the number of Italian visitors to the United States peaked at over 626,000 travelers. In the past ten years, Italian tourism to the USA dropped as much as 35 percent and reached its lowest level in 2002. Since then it has been increasing every year to reach a new high of 779,000 visitors in 2008. In 2009, 753,000 Italians visited the United States, a decrease of 3 percent but picked up again in 2010 when they recorded over 838,000 visitors. Italy ranks as the 10th largest market for the USA and the 4th in Europe after the U.K., Germany and France. The Commerce Department's Office of Travel and Tourism Industries' data estimated that Italian visitation to the USA would increase by 9 percent in 2011 and by 3 percent in 2012.

Total travel receipts from Italy to the United States were USD 3.2 billion in 2010 and USD 2.3 billion at U.S. destinations, ranking Italy 11th in the world top market list.

Four U.S. airlines, American, Delta, United and US Airways, and two Italian carriers, Alitalia and Meridiana-Eurofly, offer daily direct flights between major Italian cities (Milan,

Rome and Venice) as well as smaller cities (Naples, Pisa and Palermo) to a number of American destinations. In the summer period, 27 non-stop flights connect Italy to the United States, most of them with a daily schedule for a total of 180 direct flights every week. Europe has over 100 daily direct flights to the USA operated by other European carries (British, Lufthansa, Swiss, Air France, KLM and Iberia). Many Italians go through a European gateway city (Frankfurt, London, Paris, Zurich, etc.) and also choose low-cost flights before reaching their final destination.

Most major U.S. hotel chains are represented in Italy: Best Western International, Fairmont and Raffles, Hilton Worldwide, Hyatt, Marriott International, Sonesta Collection, Starwood and Wyndham Hotel Group, thus making bookings in the USA relatively easy for the Italian buyer.

Italian tour operators are generally small to medium companies and cover market niches, with a few exceptions, i.e., Alpitour (Viaggidea brand for U.S.-packaged tours), Hotelplan, and Kuoni, each of which sends over 10,000 passengers to the USA. The most technologically advanced tour operators are Naar and Alidays. Visit USA Association Italy counts among its membership most of the largest tour operators (30 of 90) specialized in selling the United States.

Italy is a country of network travel agents, with about 120 network groups, representing 10,000 travel agents, and an annual turnover of almost 15 billion euro. Ainet, the main network travel agents association, encompasses 17 of the largest networks in Italy for about 5,000 travel agents. The three major network groups are: Welcome Travel Group (shared ownership between Alpitour and Costa Crociere) with 1,100 agents, Blue Holding (belonging to the networks Bluevacanze e Cisalpina) with 850 agents and Uvet/ITN, representing about 900 travel agencies. It's also worth mentioning the company Service Team, which specializes in tourism services to a selected group of networks (Marsupio, HP, BravoNet, and Fespit) that represents a total of 1,700 travel agents.

According to ECTAA's (the European Travel Agents and Tour Operators' Association) estimates, Italy has approximately 11,000 travel agents, of which 2,500 are associated with FIAVET, Italy's main travel agents association. Italy employs 50,000 people in this retail sector, which generates an annual turnover of about 15 billion euro.

In the last few years, the Italian tourism market has been dominated by the steady growth of e-commerce and the inclination of an increasing number of operators to take a stab at online sales. According to the 2010 edition of the e-commerce survey conducted by Politecnico di Milano and Netcomm, e-commerce in Italy is growing rapidly. In fact, with a turnover of 6.65 billion Euro, e-commerce increased by 15 percent in 2010. The tourism sector is dominating e-commerce with 52 percent of total online purchases, followed by the information technology and the consumer electronic sectors. E-tourism now counts for 12.5 percent of the entire sector value and 12.2 million orders placed online, as compared with 10.7 million in 2009 and an increasing average expenditure. Among the 20 largest e-commerce companies in Italy, 10 of them operate in the tourism sector (Alitalia, Air France, eDreams, Expedia, lastminute.com, Meridiana, Trenitalia, Venere.com, Volagratis and Wind Jet). The largest increase has been registered in the sales of low-cost flights and hotel reservations.

## Sub-Sector Best Prospects

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Best prospect destinations in the Italian market include: New York City; San Francisco, Los Angeles and the state of California; Miami, Orlando, the Florida Keys and the state of Florida; Las Vegas and Nevada; Boston, Massachusetts and New England; Chicago and Illinois; U.S. National Parks and surrounding areas (i.e. Arizona, New Mexico, Utah, Colorado); Rocky Mountain Region (Idaho, Montana, Oregon, South Dakota, Wyoming); Philadelphia and Pennsylvania; Dallas and the state of Texas; U.S. Virgin Islands and Hawaii.

Best prospect activities for Italians visiting the U.S. for leisure and business are: dining in restaurants; shopping; sightseeing in cities; visiting historical places, museums; visiting small towns; visiting theme/amusement parks, cultural heritage sites and national parks.

All major players in the "travel to the U.S. sector" indicate growth prospects from the Italian market, and the U.S. is expected to remain at the top of preferred long-haul destinations. The most visited city is New York City which captured almost 60 percent of all Italian visitors. The strong euro is a significant incentive to visit this city for shopping, one of the preferred activities of Italians when traveling. New York is the only long-haul destination that is also perceived as a "city break" type of vacation where Italians can even spend long-weekends, as they do in European capitals.

The states of California and Florida also perform very well in the Italian market, with increasing opportunities for attracting Italian visitors. However, there are a few other destinations that attract a good number of visitors, such as the National Parks, New England and Las Vegas. The success of the latter destinations is directly related to very active and targeted marketing and promotional efforts that the tourism authorities of those states have devoted to the Italian market.

## Opportunities

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### Trade shows: **TTG Incontri, October 18-21, 2012, Rimini, Italy**

CS Milan will also support the U.S. delegation at the Discover America Pavilion at TTG Incontri, by offering a customized Matchmaking Service to interested U.S. companies. TTG Incontri is participating in the Trade Fair Certification program of the U.S. Department of Commerce.

### Trade event: **Showcase USA-Italy, March 3-5, 2013 - Milan, Italy**

The U.S. Commercial Service in Milan, in cooperation with Visit USA Association Italy and U.S. Travel Association Italy, is organizing a major event, Showcase USA-Italy, which will take place March 3-5, 2013 in Milan, Italy. Showcase is the only marketing exhibition exclusively dedicated to promote Italian tourism towards the United States. On this unique occasion, U.S. exhibitors will have the opportunity to meet high-quality Italian companies and organizations, all focused on the promotion of tourism to the United States of America. Our team will provide participants matchmaking appointments with Italian companies, logistical assistance, on-site business counseling and support, as well as a pre-event briefing.

Other important tourism shows in Italy are: **BMT**, March 30-April 1, 2012 in Naples and **BIT**, February 14-17, 2013 in Milan.

## Web Resources

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Web: <http://www.buyusa.gov/italy/en/>

U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries: <http://www.tinet.ita.doc.gov/>

The travel and tourism sector is a Showcase Europe's sector. For more information, please visit: <http://export.gov/europe/showcaseeuropesectors/traveltourism/index.asp>

Travel Trade Associations:

Visit USA Association Italy: <http://www.visitusaita.org/>

U.S. Travel Association: <http://www.ustravel.org/> - <http://www.discoveramerica.com>

Italian Association of Tour Operators: <http://www.astoi.com/>

Corporation for Travel Promotion: <http://www.thebrandusa.com/>

Travel Trade Shows and Events:

BMT, Naples, March 30-April 1, 2012: <http://www.bmtnapoli.com/>

TTG Incontri, Rimini, October 18-20, 2012: <http://www.ttgincontri.it/>

BIT, Milan, February 14-17, 2013: <http://www.bit.fieramilano.it/>

Showcase USA Italy, Milan, March 3-5, 2013:

<http://www.buyusa.gov/italy/en/showcase2010.html>

## Automotive – Subsector Motorcycles

### Overview

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Unit: USD thousands

	2010	2011 (estimated)	2012 (estimated)	2013 (estimated)
Total Market Size	13,750,000	13,030,000	13,030,000	13,030,000
Total Local Production	14,570,000	14,100,000	14,100,000	14,100,000
Total Exports	2,330,000	3,010,000	3,010,000	3,010,000
Total Imports	1,600,000	1,940,000	1,940,000	1,940,000
Imports from the U.S.	160,000	200,000	200,000	200,000
Exchange Rate: 1 USD	0.7561	0.7218	0.7218	0.7218

Data Sources: Information based on ANCMA and Moto Dealer News data and estimates

### **Summary**

This report focuses on the Italian motorcycle sector, where many interesting opportunities are available to U.S. exporters.

### **The Motorcycle Market**

Italy has always been the largest European market for new motorcycles and mopeds, with almost 400,000 new registrations in 2010 when approximately 307,000 vehicles over 50cm<sup>3</sup> were sold (94,000 motorcycles and 213,000 scooters). Of the 89,000 under 50cm<sup>3</sup> mopeds that were sold, 88 percent were scooters.

In 2011, according to ACEM data, new registrations fell to almost 330,000 powered two-wheelers (over 253,000 vehicles over 50cm<sup>3</sup> and over 75,000 mopeds under 50cm<sup>3</sup>). Motorcycles make up about one third of the Italian market over 50cm<sup>3</sup>, while scooters are about two thirds of it.

According to sector's experts the main reasons for these decreasing trends are the economic crisis, the lack of subsidies in 2011, the reduced financing to consumers and the increasing costs of fuel and insurance premiums.

Apart from new registrations, there is also a significant market for used two-wheelers: in 2010 over 583,000 vehicles changed ownership, a 2 percent increase compared with 2009. In 2011 the trend appeared stable.

Italy is also the leading manufacturer of powered 2-wheel vehicles in Europe. Production in 2010 was over 455,000 vehicles, more than half of the European output. Local manufacturers include Piaggio (the largest European two-wheelers manufacturer - brands Piaggio, Vespa, Aprilia, Gilera, Moto Guzzi, Derbi), Ducati, MV Agusta, Fantic Motor, Beta Motor, Husqvarna, Honda Italia and some niche manufacturers.

Italy has the largest number of motorcycles on the road in Europe: 8.7 million vehicles in 2010 (6.3 million over 50cm<sup>3</sup> and 2.4 million under 50cm<sup>3</sup>).

Imports are significant: most come from the EU and Asia (especially Japan).

Harley Davidson's (H-D) share of the market is growing and H-D accounted for a significant part of Italian imports in recent years. From January to November 2011, H-D had more than 66 percent of the customizing segment. In November 2011 their percent share rose to 75 percent. It increased its sales by 11.2 percent compared with 2010. Considering all sectors, H-D had the 8.9 percent of the motorcycle market in Italy (7.6 percent in 2010), and was the 6<sup>th</sup> brand in the Italian motorcycle market. The XL 1200X Forty-Eight models was the best sold H-D model. Polaris Industries (and its brand Victory) is also active in Italy.

### **Sub-Sector Best Prospects**

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The motorcycle industry in Italy is a major sector and opportunities are certainly available for U.S. suppliers. Many American companies are already present in Italy: among them, Bardahl, Cardo, CP Pistons, Gates, GoPro, K&N, Kryptonite, Lucas Oil, MAG Europe, Maxima Racing Oils, Morse Tec, Moto Tassinari, National Cycle, Parts



Europe, Rekluse, Segway, Spectro Oils, etc. Other companies are expanding in the Italian market also through the support provided by the U.S. Commercial Service in Italy.

While both high-end and low-price competitors are active in this market, as a rule, Italians enjoy high-tech and high quality motorcycles and mopeds. So U.S. suppliers able to offer cutting-edge technological products and new and innovative solutions - whether vehicles, mechanical parts, body parts, helmets, goggles, apparel, etc. - will get good chances in this market. Though impossible to identify all the sub-sectors that could offer good opportunities to U.S. companies; the following listing tries to define and highlight some of them:

*ATVs, UTVs and Off-Road vehicles:* The off-road market offers good opportunities (while the ATVs and UTVs markets are not as large as in other countries) especially as concerns accessories, parts, apparel and tools.

*Customizing segment:* In the January-November 2011 period, the customizing segment continued playing a leading role in the Italian motorcycle market; this segment increased by over 13 percent compared with the same period in 2010 (and total sales grew from 8,591 to 9,738 units). The customized segment accounted for 12 percent of registered sales and had the most significant increase of all motorcycles segments. This unique lifestyle segment offer opportunities also to companies that produce accessories, parts, apparel and tools.

*Electronics:* GPS systems, audio components, lights and communications products. Companies providing antitheft solutions can also focus on the Italian market, as unfortunately two-wheelers thefts are quite frequent.

*Gear and Apparel / Helmets / Luggage:* These are significant market niches: both the 'technical' features and the 'design' content of the products are extremely valued in the local market. In 2010 Italians bought about 800,000 helmets.

*Motorcycle tourism:* Travelling by motorbike has a special appeal and many local tourist boards and travel agencies have created specific motorbike programs. Many Italians are interested in travelling to the U.S. and this may certainly open opportunities for American companies organizing tours.

*Parts & Maintenance, Tools & Equipment* (tools, diagnostic equipment, shop machinery etc.): As for all the other vehicles, two-wheelers' maintenance is becoming more and more complex; the need for correct servicing mandates the use of quality tools & equipment. The remarkable size of the Italian market may offer opportunities to U.S. suppliers of this equipment.

*Racing & Performance:* Companies supplying parts for racing bikes and those that produce high performance parts (exhausts, cooler guards, pistons, shock absorbers for road and off-road vehicles, ATVs), accessories, apparel, etc. for the sport bike market (including tires, wheels and lubricants) may find interesting opportunities in Italy.

*Safety and security devices:* Road safety is a major issue to deal with in the two-wheelers sector; it involves: drivers (and licensing procedures); vehicles (brake/tire combinations, lighting/conspicuity, anti-tampering devices); road infrastructures (as concerns impacts with safety barriers). Opportunities may be found in apparel, crash

bars, and personal protection, even though several local suppliers are very active and well-known.

*The 'Green' Market:* Besides lower fuel consumptions, two-wheelers require ten times less energy to be manufactured and recycled than cars. At the European level, currently new mopeds and motorcycles have to comply with Euro 2 and 3 steps respectively, while passenger cars have to meet Euro 5 standards (Euro 6 is in the pipeline). Powered two-wheelers manufacturers are paying particular attention to green technologies: more stringent standards (Euro 3 and 4 for mopeds and Euro 4 and 5 for motorcycles) should be applied starting from 2012-2013 and 2015-2016 (dates subject to the European legislative process). In the future Euro 6 regulations for motorcycles and Euro 5 for mopeds are expected to be implemented.

In Italy, the various governments (national and local) and motorcycle/scooter/ moped companies are more and more sensitive to environmental issues. They promote different strategies to create environmental respect awareness and study innovative technologies to reduce pollution. In some cases, powered two-wheelers are exempted from congestion charges: in Milan they are considered as polluting as hybrid, electric and other alternative fueled vehicles; all these vehicles are exempted from the congestion charge.

As said, during last years, the national and some local governments granted federal funds to push motorcycle/moped customers to buy less polluting vehicles, classified Euro 3 (and smaller than 400 cc/70kW), as well as electric and hybrid vehicles.

Electric motorcycles conceived to be very different from electric scooters and mopeds and built for a different purpose, i.e. having fun without polluting (not commuting), are becoming an interesting niche in Italy too. This niche might evolve in the near future to a real market segment: Italian drivers are high performance bikers and are interested in vehicles that are both green and fast. It is probably impossible to forecast the actual evolution of the market, especially as concerns its timing, but a new approach to electric two-wheelers mobility would open up good opportunities to those U.S. companies that today are the leaders in this niche.

### **Special Trade Promotion Opportunities**

- 1) **EICMA**, November 13-18, 2012, Milan, Italy, is the largest world event in the motorcycle sector boasting more than 500,000 visitors (50,000 of them professionals) in 2011. Starting from 2009, EICMA has been organizing "The Green Planet", an area where exhibitors display technologies and innovations related to environmental sustainability, zero emissions and clean mobility. This initiative was so successful that "The Green Planet" area was organized again in 2010 and 2011 and will be organized again in 2012. EICMA 2011 also devoted special areas to the customizing sector and to the tourism sector.

The U.S. Commercial service will support the U.S. companies at the EICMA 2012 event, in particular those exhibiting within the U.S. Pavilion, which will be organized by Marazita & Associates, Canoga Park, CA. In 2011 the U.S. participation (altogether 100 US companies exhibiting directly, represented by European agent, or in the U.S. Pavilion) in this show (1,400 exhibitors), was very successful. Without exception, the 35 US Pavilion exhibitors expressed great

satisfaction with the contacts made, the amount of visitors' traffic, the organization of the U.S. Pavilion and our CS support and services. The U.S. Commercial service provided matchmaking services to six American companies. A leading-trend highlight of the 2011 show was the presence of three U.S. mfg's of electric bikes, two of which had big stands with various models of exciting sport bikes on display. As in 2011 hundreds of Italian distributors will be emailed to inform them about the U.S. exhibitors at the show, and a special matchmaking service will be available to the American exhibitors and visitors at the show. As in 2011, we plan to develop joint actions with other European posts to help exhibitors and visitors to get in touch during or after the show with non-Italian potential distributors.

- 2) **Verona Motor Bike Expo Show**, January 18-20, 2013, Verona, Italy; this show claims to be the most important in Europe and one of the most important in the world for the custom motorcycle sector, with 700 exhibitors and almost 130,000 visitors in 2012.
- 3) **Motor Sport Expo Tech**, February 2013, (dates TBC), Modena, Italy, is a show dedicated to motorsport professionals including those operating in the motorcycle sector.

#### Web Resources

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- ANCMA - The Italian association of bicycle, motorcycles and accessories manufacturers, [www.ancma.it/](http://www.ancma.it/);
- ACEM - The Motorcycle Industry in Europe, [www.acem.eu](http://www.acem.eu)
- Andrea Rosa, Commercial Specialist, Milan, [andrea.rosa@trade.gov](mailto:andrea.rosa@trade.gov)

## MEDICAL DEVICES and TECHNOLOGIES (MED)

#### Overview

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	2010	2011	2012 Estimated	2013 Estimated
Total Market Size	8,600	8,737	8,628	8,750
Total Local Production	6,800	6,900	6,810	6,950
Total Exports	5,100	5,193	5,082	5,250
Total Imports	6,900	7,030	6,900	7,050
Imports from the U.S.	1,100	1,150	1,050	1,200

USD in millions: Exchange rate USD 1 = 0.75 (2010), 0.721 (2011)

The above statistics are unofficial estimates. They are based on reports and statistics from: Assobiomedica, BMI, and Eucomed.

Italy is a mature market for medical equipment, and its high per capita income and sophisticated healthcare system translate into demand for a broad range of cutting-edge medical equipment. The Italian market for medical equipment and supplies is the third largest in Europe following Germany and France with about 500 producers and a 30,000

people workforce. The medical device market (excluding dental and optical devices) was valued at approximately USD 8.6 billion in 2010 with imports accounting for USD 6.9 billion. The Italian government is the primary purchaser of medical equipment. Public hospitals account for over 75 percent of medical device sales, while the remaining 25 percent of sales are made to the private sector. The Italian market for medical equipment is highly dependent on imports. Major suppliers are the United States, Germany, France and Japan. The ageing population together with cost-containment measures can favor the use of innovative medical devices for a more effective healthcare system.

The Italian manufacturing sector is strong in the production of X-ray equipment, cardiology equipment, implantable pacemakers, operating theatre equipment, anesthesia equipment, respiratory apparatus, dialysis equipment and dental products ranging from instruments to dental chairs. Regions with the highest concentration of medical devices companies are in Northern Italy, Lombardy, Veneto, and Emilia Romagna, where there is an important hub for major medical device companies in Mirandola.

It is estimated that a significant number of U.S. manufacturers of medical equipment are present in the Italian healthcare market. Some U.S. suppliers maintain wholly owned subsidiaries in Italy and sell equipment imported from the United States or from plants in other foreign countries. Another significant U.S. presence consists of the numerous companies represented by local importers and distributors. Since U.S. technology and standards are highly regarded and recognized, U.S. companies will maintain their excellent market position in the future.

## **Best Products/Services**

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### *Medical Devices*

The best sales potential for U.S. manufactured medical equipment is in the following areas: high frequency medical lasers (for multiple applications), endoscopes and diagnostic imaging equipment non-invasive and micro-surgery devices and equipment, anesthesiology equipment, EKG, stimulators and defibrillators, monitoring equipment, telemedicine equipment and services. The Italian market is receptive to high quality and technologically advanced diagnostics and therapeutic equipment and products. The market for ultrasonic medical devices has seen an annual growth of 3 percent.

### *E-Health*

The European e-Health market has an estimated annual value of around USD 20 billion with an annual growth of 3 percent. Considering that the demand for healthcare products and services will rise significantly in coming years, the information technology applied to the healthcare systems is a key enabler for delivering more effective and efficient health care. The new Italian plan (e-gov 2012) calls for investments of over USD 540 million in the 2009-2012 e-health plan and USD 2.8 billion in the longer term, and it is expected to generate savings of at least USD 42 million per year in healthcare expenditures. The new investment plan is expected to accelerate the use of ICT in the healthcare sector, stimulating the innovation process. The health IT expenditures

reached USD 695 million in 2010, while telecommunication expenditures were USD 274 million.

Strategic areas, in which there will be investments over the next 3 years at a 25 percent growth rate, are electronic health records, ePrescription, clinical records, and a national network of reservation centers and administrative management. Emerging areas, in which analysts forecast high investments in the future with a 60 percent growth rate, are digital management of pharma, patient relationship support (telemedicine) and hospital innovation.

## Opportunities

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It is up to Regional Governments to issue specific regulations governing procurement of medical equipment. Most purchases are made by public tender and are open to both domestic and foreign companies. Announcements of tenders on public procurements are monitored by the U.S. Mission to the European Union and can be accessed through the webpage: <http://export.gov/europeanunion/>. In general, it is unrealistic for a foreign firm to believe that it can navigate the cumbersome bureaucratic procedure of public procurement without having a base in Italy or a strategic Italian partner. Companies which want to participate in public tenders must first qualify by submitting adequate evidence of their business experience and professional expertise.

All medical devices marketed in the EU must bear the CE mark to certify conformity with EU law. Member States have appointed certification authorities or "notified" bodies to grant these compliance certificates. U.S. medical equipment receives duty-free treatment in Italy.

New to market medical devices must be registered and have a unique identification number in the National Health System directory (*Repertorio*). It is suggested that U.S. companies designate a third party in Italy to register their products with the Minister of Health. The registration is on line with the Ministry of Health website as follows:

<http://www.ministerosalute.it/dispositivi/paginainterna.jsp?id=395&menu=registrazione>

## Resources

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U.S. Commercial Service  
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<http://export.gov/italy>

### **ASSOBIOMEDICA**

(Italian Association of Medical Equipment Manufacturers)  
[www.assobiomedica.it](http://www.assobiomedica.it)

**AIOP** - Associazione Italiana Ospedalità Privata  
[aiop@aiop.it](mailto:aiop@aiop.it)  
[www.aiop.it](http://www.aiop.it)

**ANIE** - (Italian Association of Electrical Industries)  
[www.elettro.net](http://www.elettro.net)

**Ministero della Salute**  
(Ministry of Health)  
[www.ministerosalute.it](http://www.ministerosalute.it)

## SAFETY AND SECURITY EQUIPMENT (SEC)

### Overview

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Unit: USD millions				
	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	4429	4507	4600	4640
Total Local Production	4722	4795	4895	4950
Total Exports	409	399	403	410
Total Imports	116	111	108	100
Imports from the U.S.	8.9	8.5	8.3	8.5
Exchange Rate: 1 USD	0.75	0.72	0.72	0.72

*The above statistics are unofficial estimates. Data regarding security equipment is provided by the Italian association ANCISS and statistics for the safety industry are collected by ANIMA.*

The safety and security equipment market was valued at approximately USD 4.6 million in 2011. Italy has an established domestic safety and security industry with a reputation for high quality products. Italian production is well distributed across the various security equipment product categories. The industry is comprised of a sizable number of small and mid-sized locally based firms. The main U.S. players including Honeywell, GE Security, UTC Fire and Security, and DuPont, for example, are present in the market.

### Safety Market

The safety market is forecast to remain stable in 2012. Technologies in this segment are mature, and economic uncertainty will continue to decelerate investments in R&D that already saw significant contraction (3.8 percent) in 2011. These factors, coupled with potential developments in the standards area that should impact future development of new materials and equipment, should present opportunities for advanced U.S. technologies. In particular, opportunities exist in the CBRN area for new materials and technologies.

### Security Market

In 2011, the security and building automation market saw an overall increase of 4.9

percent. The anti-intrusion equipment segment saw an increase of 6.6 percent, while the CCTV component increased by 10.4 percent, due in great part to the move away from analog toward digital solutions. Solutions that improve energy efficiency and promote sustainable development will find opportunities in the market.

Within the anti-intrusion sector, access control remains an important and highly competitive area. The industry is migrating toward IP and integrated solutions. The trend is to move away from proprietary technology toward open systems that allow the integration of multiple applications. Other drivers include the growth of time and attendance applications, the demand for smart card and optical card systems, the need to reduce fraud and gained acceptance of biometric systems. Training for integrators and installers is essential in order to effectively meet end user needs.

End users are varied and include private and public organizations, banks, and private citizens. While public spending will remain weak in the near term, continued opportunities exist among large organizations, banks and private citizens. Approximately 5 million homes lack security systems. A sense of vulnerability and insecurity, particularly among the female population, is increasing.

Urban security is a prime concern, particularly with the recent rise of crime and burglaries. Opportunities exist for private security operators – such as security guard service companies – to provide technology and services to private citizens. Examples of public-private collaboration include municipalities and private security service companies that utilize public security cameras and CCTV systems installed by banks, pharmacies, etc, to survey areas and provide services to businesses or private citizens, all in cooperation with the municipal police.

Airport security continues to be a major focus following terrorist attacks in Europe. Italy was among the first European countries to initiate tests of body scanning technology. Tests were concluded in 3 major Italian airports with funding made available by ENAC (Italian civil aviation authority). Approval of the technology is expected this spring. The Ministry of Interior has set aside USD 2.6 million for the possible purchase of equipment. Body scanners would likely be installed in airports with flights to the U.S. and Israel, and adoption on a wider scale, such as court rooms, can be expected.

Another priority area includes maritime security with regard to illegal immigration, piracy and hijacking issues in the Mediterranean. Immediate opportunities can be found for maritime surveillance technology.

Within the safety area, potential opportunities exist in CBRN protection, particularly for new, advanced sensors that reveal chemical agents and provide more effective protection. In terms of investments in this niche market, only minor cuts have been seen in the budgets of the responsible agencies.

#### **Sub-Sector Best Prospects**

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Equipment with the greatest sales potential includes:

- Protective clothing for law enforcement and first responders
- CBRN solutions and tools
- Advanced video surveillance monitoring solutions

Security solutions for local and regional rail and high-speed rail, including related infrastructure.

Supply chain security – traceability – prevention and recovery

Protection systems for critical ICT and other networked infrastructures

Platform/sensor land border detection systems

Land border surveillance solutions

Airport passenger and baggage screening equipment

Cargo/container scanning equipment

Automated home protection solutions

Italian users have high consideration for advanced and sophisticated American systems. Security products with new and innovative features are well received. Strong after-sales service, maintenance and training are essential to success.

## Opportunities

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Airport expansion projects: Fiumicino 2 is a major development project involving private investments of USD 16 billion. Rome's Fiumicino airport is now the 6<sup>th</sup> most important airport in Europe, and expansion will allow it to become a major European hub and Ciampino a city airport. The project will include investments in screening technology (passengers, personnel, baggage), access control and surveillance systems.

The need to protect critical infrastructures, with an emphasis on the threat of cyber-attacks, is a new priority. The European Program for Critical Infrastructure Protection (EPCIP) is designed to increase security and public order during a crisis situation and includes improvements in the protection of critical infrastructures including logical and physical security solutions to be put in place. To comply with the EPCIP Directive, Italy is upgrading critical infrastructure sites.

U.S. companies should consult Italian ministry websites for tender information. In addition, the U.S. Mission to the EU (CSEU) maintains a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement (<http://export.gov/europeanunion/> - see Chapter 8 for more information). EU public procurement announcements are also available on CD ROM, which can be ordered from EU official sales agents worldwide. Alternatively, CSEU's website, <http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>, offers access to EU public procurement announcements free of charge.

Partnerships with local representatives are a key factor to successful market penetration in Italy. The US Commercial Service in Italy can assist in identifying suitable partners. <http://export.gov/italy/>

## Web Resources

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European Union Portal:

[http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm)

Italian Government



<http://www.governo.it/>

Italian Ministry of the Interior:

<http://www.interno.it/>

ANCISS: Associazione Nazionale Sicurezza ed Automazione Edifici  
(National Association of Manufacturers, Installers and of security equipment - part of ANIE)

<http://www.anciss.it/>

ANIMA: Federazione delle Associazioni Nazionali dell'Industria Meccanica varia ed Affine

(Federation of the Italian Associations of Mechanical and Engineering Industries)

<http://www.anima.it/>

Security portals:

<http://www.securindex.com/>

[http://www.securindex.com/riviste\\_online](http://www.securindex.com/riviste_online)

[http://www.sicurezzaonline.it/index\\_en.htm](http://www.sicurezzaonline.it/index_en.htm)

Showcase Europe Website:

<http://export.gov/europe/>

Rome Airports Expansion Project:

<http://www.adr.it/web/aeroporti-di-roma-en/-/azn-airport-expansion>

EPCIP information:

[http://ec.europa.eu/justice\\_home/funding/cips/funding\\_cips\\_en.htm](http://ec.europa.eu/justice_home/funding/cips/funding_cips_en.htm)

[http://ec.europa.eu/justice\\_home/funding/isec/funding\\_isec\\_en.htm](http://ec.europa.eu/justice_home/funding/isec/funding_isec_en.htm)

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<http://export.gov/italy/>

## AIRPORT AND GROUND SUPPORT EQUIPMENT (APG)

### Overview

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Unit: USD millions

	2010	2011	2012	2013
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			(estimated)	(estimated)
Total Market Size	3,276	3,416	3,460	3,500
Total Local Production	2,409	2,520	2,570	2,600
Total Exports	1,143	1,320	1,400	1,450
Total Imports	2,010	2,216	2,290	2,350
Imports from the U.S.	919	989	1,010	1,050
Exchange Rate: 1 USD	0.75	0.72	0.72	0.72

*The above statistics are unofficial estimates.*

With a total of 132 airports, Italy is one of the most important European markets for airport and ground support equipment. Italian airports handled 149 million passengers in 2011, an increase of 6.4 percent over 2010. Airports with the greatest increase include Brindisi (28 percent), Venice (25 percent), Lamezia Terme (20 percent), Palermo (14 percent), Verona (12 percent) and Pisa (11 percent). Air freight cargo activity grew by 2.3 percent last year. The Milan Malpensa Airport represents nearly 50 percent of the total Italian cargo traffic and recorded an increase of 4.1 percent last year.

The Italian airline market is fragmented with a mix of full service and low-cost carriers. The principle carrier is Compagnia Aerea Italiana S.p.A., (CAI, operating as Alitalia) a private consortium that in 2009 took over the name, the landing rights, planes and other assets of the liquidated Alitalia and Air One. Air France-KLM holds 25 percent of the carrier. Alitalia recently announced the purchase of Wind Jet and Blue Panorama carriers that will increase market share to approximately 27 percent -- cementing its position as the leading passenger carrier -- and will increment its total capacity share at Rome Fiumicino to 46.8 percent.

The National Agency for Flight Assistance, ENAV, provides air traffic control and navigation services. The Italian civil aviation authority, ENAC, has oversight of civil aviation including certification and control authority. ENAC is directing efforts to improve security and safety systems such as runway extensions, anti-intrusion systems, scanners, metal and explosive detectors, tracking systems and other airport and ground support equipment and emergency systems/ services. ENAV invested USD 2 million (2003 – 2010), 70 percent of which for the safety of air traffic control. ENAV cooperates with EUROCONTROL, the European Commission and other Air Navigation Service Providers, on research and development such as simulation and pre-operational validation projects.

A key focus area is the Single European Sky, Europe's flagship project for reforming air traffic management. The European Commission recently announced a comprehensive review of airport policy including airport slots, aviation noise and ground handling. The objective is to improve airport capacity, ground operations performance, and reduction of carbon footprint. Air traffic is estimated to nearly double by 2030, and the foreseeable *capacity crunch* has led the European Commission, sustained by the Airports Council International (ACI) Europe, to ask Member States to develop national strategies. As a result, the market can be expected to expand with increased medium- and long-term investments, both private and public, for airport expansion, upgrading of existing structures and purchase of ground support equipment and systems.

The focus on increased quality standards in ground handling will imply a review of services in major Italian airports. In Italy in particular, the liberalization in ground

handling services has resulted in a proliferation of service companies that has driven prices down and, as a result, quality standards as well. This is an area that will require a serious review in order for the Italian airport system to be fully functional and remain competitive, particularly in view of the increase in traffic.

#### **Best Products/Services**

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Italian airport authorities will continue to focus on improvements in the following areas: anti-intrusion systems, automated baggage handling systems (BHS), closed circuit video cameras (CCTV), approach surveillance radars, sea rescue equipment, precision approach path indicators and radars, digital x-ray systems, fire detection and extinguishing equipment and all the broad range of services related to airport operations. For passengers and hand luggage, airports are adopting the latest technologies in hand and window metal detectors (HMD and WMD) as well as Explosive Trace Detection Systems (ETDS). For cargo luggage: Primary Explosive Detection Systems (PEDT) and Explosive Detection Systems (EDS). For mail and parcels check: multi-level systems with Threat Image Projection software.

The U.S. industry is recognized for its technological leadership in advanced products and quality standards. U.S. manufacturers and engineering and consulting companies have selected opportunities in the market for those specialized sectors where state of the art technology is most needed.

#### **Opportunities**

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The Italian Minister of Economic Development is reviewing the national airport strategy to rationalize the current airport system and strengthen competitiveness. The plan will aim to identify strategic airports and eliminate those deemed inefficient. Increased investments can be expected in Milan, Venice and Rome. Sea SpA, which manages the Milan Airports, is planning investments of USD 2 billion. Save SpA, the Venice Marco Polo Airport management company, has plans to invest 600 million Euro. Other projects include the development of a new runway at the Florence Peretola Airport and the extension of the runway at the Catania Fontanarossa Airport.

A major expansion plan -- Fiumicino 2 -- involving the Rome Airports (Fiumicino and Ciampino) was officially presented in December 2011 and awaits approval of the Italian Government. The expansion project is part of the City of Rome's strategic growth plan that aims to develop and implement an efficient infrastructure network. This important development project will run through 2044 and involves private investments of over USD 16 billion Euro. Mid-term developments (2020) include the creation of new terminals, baggage handling systems and ground rapid transit systems. Long-term projects include the enlargement of the current airside and landside infrastructure, strengthening of intermodal infrastructure access to the airport hub and a new train station. Fiumicino will become a major European hub and Ciampino a city airport.

Major tenders are published in the Gazzetta Ufficiale (Official Gazette), while other tenders are generally published in the major national newspapers (Il Sole 24 Ore, Corriere della Sera, La Repubblica).

#### **Resources**

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Useful websites:

Assaeroporti (Italian Airports Association): <http://www.assaeroporti.it/>

Ministry of Infrastructure and Transportation: <http://www.infrastrutturetrasporti.it>

Gazzetta Ufficiale: [www.gazzettaufficiale.it](http://www.gazzettaufficiale.it)

ENAC: [www.enac-italia.it](http://www.enac-italia.it)

ENAV SpA: [www.enav.it](http://www.enav.it)

European Union: [www.europa.eu](http://www.europa.eu)

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## PET PRODUCTS

### Overview

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	2010	2011	2012	2013
		(estimated)	(estimated)	(estimated)
Total Market Size	2,640,000	2,750,000	2,860,000	2,960,000
Total Local Production	2,300,000	2,400,000	2,520,000	2,600,000
Total Exports	560,000	580,000	620,000	640,000
Total Imports	900,000	930,000	960,000	1,000,000
Imports from the U.S. (*)	175,300	180,600	186,000	190,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

(Units: US\$ thousands)

*Data Sources:*

-Total Local Production: Assalco/IRI/Zoomark

-Total Exports: Assalco/IRI/Zoomark

-Total Imports: Assalco/IRI/Zoomark

-Imports from U.S.: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

The Italian pet products market is valued at USD 2.75 billion and has remained strong through the lingering recession registering an increase of 4 percent in value in 2011. Despite the soft economy, this market remains robust and thus far has not been much

affected by the general turndown. In particular, sub-sectors like pet care, premium and super premium pet food continue to show strong market performance. The recent trend indicates that pet owners are more likely to treat their pets with greater care, for example by choosing special foods tailored to the pet's specific nutritional requirements. Italy is an interesting and lucrative market for U.S. pet food as demand continues to grow. Leading factors for this growth include the increased importance of pets in Italian families and better marketing via large-scale outlets and specialized stores. According to industry figures, the Italian market for cat and dog food grew 2.2 percent in 2010 to USD 2.2 billion.

Italy—with a population of 60 million people—has a pet population of 60 million, including the largest cat and dog populations in Europe. Pet ownership in Italy is as follows: Cats - 7.4 million, Dogs - 7.0 million, Rabbits - 2.0 million, Turtles - 1.0 million, Fish - 3.0 million, and Birds - 13.0 million. The role of pets in Italy has changed over the years. Modern Italian families increasingly have pets for companionship. This new role is a result of Italy's changing demographics, family structure, and general regard for animals. As said above, the increased number and importance of pets translates into greater care and into higher expenditures for food, health, accessories, and services.

The latest industry figures indicate that the Italian pet food market's growth potential remains significant. This is because only 60 percent of Italian pet owners feed their pets with commercial pet food (57 percent for dogs and 64 percent for cats), rather than homemade food or leftovers—a percentage far below the 80 percent average for western European countries. The percentage increased because an increasing number of pet owners buy pet food in order to. Industry sources expect commercial purchases to increase as pet owners increasingly demand better nutrition for their pets.

Pet food for 'other' pets (i.e., not cats or dogs) amounted to USD 28 million or a 1.1 percent decrease from the previous year. Bird food accounts for 37 percent share of the 'other' category and grew by 4.2 percent in 2010. Food for rodents ranks second, accounting for 29 percent of the 'other' pet food. The market for fish food ranks third and remained stable.

Italy is a major pet food importer and imports about 50 percent of its growing consumption requirements. Dry dog food is the leading import, followed by wet cat food. Demand for imported pet snacks and treats far exceeds local production. In 2010, Italy imported USD 535.2 million and exported USD 228.9 million of pet food (dog and cat food). Italy is the third largest European importer of pet food from the United States, behind the U.K. and the Netherlands. U.S. exports of manufactured pet food to Italy amounted to USD 5 million in 2010.

### U.S. Pet Food Exports to Italy

Area / Partners of Destination  
And Commodities Exported  
Thousands of Dollars

January - December  
Cumulative To Date Quantities/Values in

Partner	Product	2009		2010	
		Value	Qty	Value	Qty
Italy(*)	Pet Foods	7,040	4,614.70	5,129	4,159.00
Italy(*)	2309100000 - DOG + CAT FOOD	6,306	3,995.90	4,244	3,235.20
Italy(*)	2309901010 - PET FOOD	734	618.7	885	923.7
Grand Total		7,040	4,614.70	5,129	4,159.00

**Notes:**

1. Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics  
2. ( \*) denotes a country that is a summarization of its component countries.

**4. Product Group : BICO-HS10**

**General recommendations on how to export pet food to Italy**

- Those U.S. manufacturers who wish to export pet food to the EU must begin planning well in advance of the production of the product. They must source only certain ingredients from certain approved suppliers, and must produce the materials under stringent EU requirements and specific processing parameters.

- When a U.S. manufacturer is interested in applying for the necessary approval, they should contact the APHIS Area Office for the state in which the production facility is located for more information.

- The approval process is lengthy, and the product cannot be exported until when, and if, the approval is granted.

**General Information on the EU Feed and Pet Food Labeling Requirements**

(The USEU GAIN report on EU Feed and Pet Food Labeling Requirements can be viewed at:

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/EU%20Feed%20and%20Pet%20Food%20Labeling%20Requirements\\_Brussels%20USEU\\_EU-27\\_9-24-2010.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/EU%20Feed%20and%20Pet%20Food%20Labeling%20Requirements_Brussels%20USEU_EU-27_9-24-2010.pdf))

[Regulation 767/2009](#), which went into effect on September 1, 2010, sets out new rules for the labeling and marketing of feed and pet food in the EU. The main objective of this regulation is the harmonization and simplification of feed legislation by setting out general and specific labeling requirements for feed materials, compound feed and medicated or dietetic feed for both food and non-food producing animals. The new rules will not only apply to on-pack labels but also to other information systems such as the Internet and advertising. Feed and pet food not complying with [Regulation 767/2009](#) and with the provisions on feed additives laid down in [Regulation 1831/2003](#) and [Directive 90/167/EC](#) will not be allowed on the EU market.

[Regulation 767/2009](#) also applies to other Community provisions applicable in the field of animal nutrition such as the GM Food & Feed Regulation ([Regulation 1829/2003](#)), the Organic Production & Labeling Regulation ([Regulation 834/2007](#)) and the Animal By-Products Regulation ([Regulation 1774/2002](#), as of March 4, 2011 [Regulation 1069/2009](#)).

### **General Mandatory Labeling Requirements**

Mandatory labeling information must be given in a clearly legible and indelible way, in the official language(s) of the Member State where the product is marketed. Feed and pet food marketed in bulk or in unsealed packages and containers must be accompanied by a document containing all mandatory labeling information outlined by [Regulation 767/2009](#). In addition to the general labeling requirements, [Regulation 767/2009](#) also establishes specific labeling requirements for feed materials, compound feed, dietetic feed, pet food, and contaminated feed. [Commission Regulation 454/2010](#) allows a transitional period until August 31, 2011 to comply with the new pet food labeling requirements.

In recent years the greatest market growth has occurred in the pet products/pet care markets. This segment includes all types of accessories for pets as well as hygiene and beauty products. Although accessories accounted for just 13 percent of the pet products market in 2010, and were valued at USD 80.2 million, that figure represented strong growth of almost 10 percent. On the other hand, thanks in part to good marketing and the high quality and variety of products offered, the specialty channel encompasses some 35 percent of the total pet products sector turnover.

The hygiene and beauty sub-sector is experiencing tremendous growth of 11.4 percent. This sector includes shampoos, conditioners, brushes, deodorants, repellants, etc. Alternatively, the toys sub-sector is growing at a much slower rate of 7.5 percent. This sector includes leashes, kennels, bowls, cages, aviaries, fish, and turtle aquariums. Finally, cat litters products make up the largest sub-sector with a turnover of approximately USD 88 million. In 2010, sales of cat litter increased by 3.3 percent in value and 1.5 percent in volume over the previous year.

### **Sub-Sector Best Prospects**

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Besides the premium and super-premium type of foods, the Italian pet food sector sells different products according to breed, size and age and pet owners increasingly demand specific types of pet food. As a result, a wide variety of pet foods that meet very specific needs related to the age (for young, adult and older animals), lifestyle (high-energy or light diets), and health condition (for diets that prevent allergies or address certain diseases) of pets are increasingly popular in the Italian market. Italian demand for dog and cat food has become more "specialized." A current trend involves natural and holistic pet food products which guarantee their product contains either natural or biological ingredients, without artificial food coloring or preservatives. Among the most sought after ingredients are vegetables, healing herbs, fruit and cereals, in addition to wild caught meat and fish. Many consumers are showing a preference for snacks and treats that are preservative-free, and contain healthy ingredients such as fruit and cereals. Products such as these are now purchased for their functional role for pets, for example dental hygiene.

In the market for pet accessories, the best prospects for penetrating the Italian market include: cat beds and pillows, beauty and grooming products, health and anti-parasitic agents and leashes. Hypoallergenic and biodegradable dog shampoos and conditioners, cologne and beauty products show signs of strong performance in the market, especially those formulated with organic extracts. In the hygiene sub-sector, the largest demand is again for all-natural, recycled and ecological types of litter that can be disposed of as fertilizers or ecological fuels.

The market for luxury pet products has grown by 28 percent over the past few years. The sale of clothes, jackets and raincoats, cushions, hairclips and collars, carriers and fashionable hats for pets contributes to the growth of the market in general. Both in Italy, as in other countries, these products are usually sold in pet boutiques. Leather collars, dog wool and cotton coats are always popular choices for consumers. For the Italian pet luxury market in particular, it is crucial that products are innovative and are of original and aesthetic design.

#### Trade Promotion Opportunities

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##### Trade Show: **Zoomark International**

May 9-12, 2013, Bologna Fiere, Italy

The Zoomark trade fair is the largest pet product show in Italy and the second most important pet products show in all of Europe. Zoomark alternates years with the largest show, Interzoo in Nuremberg, Germany. Zoomark draws exhibitors from over 35 countries as well as 20,000 qualified visitors, including agents, distributors and buyers from 65 countries. In 2011 nearly all of the 35 U.S. exhibitors saw immediate sales and/or agreements. The U.S. Commercial Service in Milan has been organizing a very successful U.S. Pavilion at Zoomark since 1997, in cooperation with the American Pet Products Association (APPA) and the U.S. Department of Agriculture, Foreign Agricultural Affairs Office, Rome, Italy. The CS staff based in Milan can provide both exhibitors and other U.S. visitors a range of export-promotion services aimed at assisting your entry to or increase of your presence in the Italian and international markets.

For information, please contact Commercial Specialists Simonetta Busnelli in Milan at [simonetta.busnelli@trade.gov](mailto:simonetta.busnelli@trade.gov), Tony Michalski in the U.S. at [tony.michalski@trade.gov](mailto:tony.michalski@trade.gov) or visit the following websites: <http://export.gov/italy/tradeevents/zoomark044334.asp>; <http://www.zoomark.it/>

#### Web Resources

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Simonetta Busnelli - Commercial Specialist  
U.S. Commercial Service  
American Consulate General  
Via Principe Amedeo 2  
20121 Milan, Italy  
Phone: 39-02-62688505 (direct phone number)  
Fax: 39-02-6596561  
E-Mail: [simonetta.busnelli@trade.gov](mailto:simonetta.busnelli@trade.gov)  
Web: <http://export.gov/italy/tradeevents/zoomark044334.asp>

The major U.S. Trade Associations in the pet sector are:  
American Pet Products Association (APPA): [www.americanpetproducts.org/](http://www.americanpetproducts.org/)  
World Pet Association (WPA): [www.worldpetassociation.org](http://www.worldpetassociation.org)  
Pet Food Institute: [www.petfoodinstitute.org](http://www.petfoodinstitute.org)

The major Italian Associations in the pet sector are:  
Scivac: [www.scivac.it](http://www.scivac.it)  
Assalco: [www.assalco.it/](http://www.assalco.it/)



U.S. Department of Agriculture FAS (Foreign Agricultural Service) office at the American Embassy in Rome, Italy: Dana Biasseti, Senior Agricultural Specialist,  
[Dana.Biasseti@fas.usda.gov](mailto:Dana.Biasseti@fas.usda.gov); <http://www.usembassy.it/agtrade/>

## AGRICULTURAL SECTOR

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### Macro Economic Situation & Key Demographic Trends

Italy has a diversified industrial economy, which is divided into a developed industrial north, dominated by private companies, and a less-developed, agricultural south, with high unemployment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 15 percent of GDP. These activities are most common within the agriculture, construction, and service sectors. Italy has moved slowly on implementing needed structural reforms, such as reducing graft, overhauling costly entitlement programs, and increasing employment opportunities for young workers, particularly women. These conditions will be exacerbated in the near-term by the global economic downturn, but in the longer-term Italy's low fertility rate and quota-driven immigration, policies will increasingly strain its economy.

Most raw materials required by Italian industry, including the food processing sector, and more than 75 percent of energy requirements, are imported. Italy is one of the largest agricultural producers in the European Union (EU). Its major trading partners in food and agricultural products are EU member states, with neighboring France and Germany each accounting for roughly a fifth of Italy's trade. Italy's major exports consist of wine, olive oil, cheeses, and fruits and vegetables. Italian perception of the place and role of Italian food in the global marketplace ties into the issue of protected designations of origin, or geographic indications, which represent only a small fraction of the value of total food production yet loom large in Italy's national marketing of its food exports as "high quality and Italian".

On balance, Italy is a net importer of agricultural products. U.S. agricultural, fish and forestry exports to Italy in 2011 totaled around (estimate) USD1.945 billion, while imports from Italy totaled around (estimate) USD 3.553 billion. The U.S. mainly imports from Italy processed food products and exports commodities. The EU remains Italy's most important trading partner with the top five suppliers being France, Germany, Spain, the Netherlands, and Austria, while the main importers of Italy's goods, in addition to Germany and France, were the United States, followed by the UK and Spain. Wine dominates Italy's food exports, followed by pasta, virgin and extra-virgin olive oil, canned tomatoes, cheese, biscuits, and baked goods. The United States is Italy's largest non-EU market. Due to its large food processing sector's need for inputs, Italy has become a net agricultural importing country.

The United States is, for Italy, primarily a supplier of high quality inputs for Italian food processing—wheat for pasta and confectionary, forest products for furniture and housing components, tree nuts for bakery products, seeds for planting, hides, and skins, seafood for the restaurant sector, and tobacco. While consumer-ready products also do succeed in this market, the EU's system of making technical conclusions subordinate to political decisions has constrained trade for many U.S. products, but in particular, meats and products containing genetically modified ingredients.

As the export market drives the Italian food-processing sector, the economic performance of the world market, and particularly the economic performance of Germany and other northern neighbors, heavily influences Italian business performance. Outside the EU, where Italy competes in global food markets, the weak dollar and strong euro have continued to exert pressure on Italian food export prospects. The notable exception is the United States where Italian wine sales continue to grow in spite of the 'expensive' euro.

### ***Population***

Italy has a population of roughly 60 million on a land mass about three-quarters the size of California. Population density is about twice that of California. Historically, many Italians have emigrated (significant numbers of Italian communities are in the U.S., Canada, Belgium, Argentina, Brazil, Venezuela, and Australia), and approximately 4 million Italians still work in other countries. Recently, however, Italy has been experiencing a growing influx of immigrants (around 100,000 new legal immigrants per year).

Outside of Rome and the main tourist centers, few Italians speak a second language. Even in the big cities, truly bilingual persons are hard to find. The most commonly spoken foreign languages are English and French. With the exception of the German-speaking autonomous province of Bolzano and the significant Slovene population around Trieste, overall, ethnic minorities are small.

### ***Italian Importers and Retailers***

Italian importers are usually small to medium-sized companies, rather than the large, market-dominating types found in northern Europe. Consequently, these companies import smaller volumes and a broader range than their much larger European counterparts do. Most imported food products enter the Italian market through brokers or specialized traders. Price is always important, although quality and novelty alone do move some imported products. Imported products from North America often enter Italy indirectly from the Netherlands' Port of Rotterdam, or directly by air.

Processed food is primarily distributed through retail grocers, convenience stores and discount grocers. Italian retail chain outlets have started to make their own purchasing decisions.

### ***Advantages and Challenges for U.S. Exporters in Italy***

<b><i>Advantages</i></b>	<b><i>Challenges</i></b>
U.S. products are viewed as “trendy, new and innovative,” especially those with added benefits of health and lifestyle.	Strong cultural presumptions that Italian food products are superior to those of foreign suppliers.
Growing niche market for ethnic foods. Italians are traveling more, becoming aware of foreign cuisines.	Ingrained political opposition to modern biotechnology, which leads distribution chains to avoid GMO products.
Weak dollar versus a strong EURO favors U.S. exports.	The detention of U.S. products by Italian border inspectors for not conforming to EU sanitary standards.
U.S. fast food chains, theme restaurants, and the food processing industry are demanding U.S. origin ingredients.	Need to develop and invest in the relationship with the Italian trade contacts and the marketing of the product. Supermarket and hypermarket shelf space and product placement is expensive.

## ***Section II. Exporter Business Tips***

### ***Trade Regulations, Customs, and Standards***

As a member of the EU, the Common Agricultural Policy (CAP) governs Italy's agricultural sector. Similarly, Italy employs the same tariffs and border measures as the other EU member states. Product imported into Italy must meet all Italian and EU food safety and quality standards, as well as labeling and packaging regulations. It is important to work with experienced importers, and/or have an agent to work with Italian regulatory authorities to ensure the acceptability of specific products. Personal relationships and language ability are of value when conducting business transactions. It is also advisable for the agent to contact health authorities at the port of entry as interpretation of health directives may vary from port to port.

## ***Section III. Market Sector Structure and Trends***

### ***The Italian Food Retail Sector***

Italians spend an enormous amount (more than 20 percent) of their disposable income on food, beverages, and tobacco. In 2010, Italian household expenditure on food and drink (including alcoholic beverages) was approximately USD 152 billion. In Italy there

are about 4 million foreign residents and food retail outlets have started to cater to these consumers with more foreign and ethnic foods, but these offerings remain small in the face of traditional Italian cuisine.

With Europe's Muslim population growing rapidly, halal butcher shops and restaurants are becoming more commonplace, and there is an increased crossover between Muslim and non-Muslim cuisine. More than 1 million Muslims now live in Italy, and, according to reports, halal foods are making inroads into the local cuisine alongside North African and Middle Eastern spices. Continuing tendencies toward smaller families, later marriages, and an increasing number of women in the workforce are resulting in food retail outlets offering ready-made, ready-to-serve products and a wider range of products. Italian households still prefer fresh rather than frozen and frozen to canned food, as shopping frequency is greater in Italy than in many other European markets.

The main groups in modern retailing in Italy are the following:

**Centrale Italiana** - (COOP, Despar, Sigma, Il Gigante)

**Centrale CONAD** - (Conad, Standa-Rewe, Interdis)

**Esd Italia** - (Selex, Esselunga, Agora')

**Gruppo Carrefour** - (Carrefour, Finiper)

**Sisa-Coralis** - (Sisa, Coralis)

**Auchan/Intermedia** - (Bennet, Pam, Crai, Lombardini, Auchan)

**C3**

**Lidl**

**Eurospin**

Italian food retailing is still very fragmented and dominated by a high number of small to medium-sized outlets. Most of the supermarkets, hypermarkets, and large shopping malls are mainly located in the North of Italy, while the south continues to lag behind with fewer retail outlets and a still underdeveloped distribution network. Large retailers have started to source products from buying groups who can ensure better deals with suppliers, while some large food retailers have decided to join buying groups to increase their advantage when dealing with suppliers.

Although buying groups are largely the precinct of large chain food retailers, independent retailers have started to understand their value. A number of large multinational retailers have either merged or made acquisition agreements with local Italian players, in order to assimilate expertise and avoid strict Italian regulations. Discount retailers are slowly emerging in the Italian market, but have had to modify their market approach by catering to Italian consumer preferences. Hard discounting in the past has proven not to work in Italy but by modifying their image and offering a mix of branded and private label products, they seem to have made inroads with the Italian consumer. Private label products have also seen a surge in acceptance by Italian

consumers. Each retailer has begun to offer a variety of private label food products, targeting different types of consumers, especially in the organic or typical regional categories.

Centrale Italiana's COOP is presently the most important retailer in Italy. Born as a cooperative between farmers, they have succeeded in incorporating small to medium sized Italian businesses, which have flourished by maintaining their in-depth knowledge and appreciation of Italian and local tastes and needs. The two most important foreign retailers currently present in Italy are Carrefour and Auchan. Auchan has chosen to enter the Italian market with various formats; hypermarkets, supermarkets, department stores, variety stores and hardware stores, while Carrefour's formats include hypermarkets, supermarkets and convenience stores, with supermarkets being their best performer.

### ***The Italian Hotel and Food Service Industry***

Every year more than 92 million tourists visit Italy, making it the world's fourth most attractive tourist destination. The Italian Hotel and Food Service Industry is a lucrative and growing sector (it is the second largest in the world after the United States); however, it is also diverse and fragmented. It is dominated by many small establishments, bed and breakfast, youth hostels, camping's, resorts and rural tourism belonging to foreign investors. Most imported food products enter the Italian market through brokers or specialized traders. Imported products from North America often enter Italy indirectly via the Netherlands' Port of Rotterdam or directly by air. Wholesalers are the main customers for fish and seafood products, as they purchase and distribute to numerous small restaurants and hotels. Most of the processed food and raw material sourcing decisions are made directly by the restaurant chef and/or hotel Food Purchasing Director. Restaurants, hotels, and catering companies tend to rely on importers, wholesalers, and food manufacturers, while *trattorias* and pizzerias purchase directly from large retail food outlets. While there are Category Associations for the Hotel and Food Service sectors, each establishment operates independently when it comes to sourcing decisions.

Changing Italian lifestyles, with more workers now forced to spend their lunch hours outside of the home due to either longer commuting times or shorter lunch breaks, have given a boost to the food service industry. Italy is slowly moving towards trends and lifestyles seen in other European countries, and it is forecast that an increasing numbers of consumers will eat out during their lunch breaks and possibly also for their evening meals because of their jobs, long working hours and business meetings. In the future very few will be able, to have a siesta in the afternoon, while most will have to cut down on their lunch break time. Although lunch breaks are likely to become shorter, it is unlikely that most Italians will eat lunch at their desks. Italians still prefer leaving the office for a quick bite.

#### **Section IV.**

##### **Best Prospects for U.S. Agricultural, Fish and Forestry Exports**

U.S. bulk and intermediate commodities are used as ingredients or inputs for value-added Italian products re-exported. North American high-quality durum wheat, for example, is used to produce pasta. Italy is the world's fifth largest importer of seafood products, with an estimated annual consumption of almost 20 kilograms of fish and seafood. Last year Italy imported USD 89 million from the United States in seafood products. Opportunities exist in the supply of fish, especially tuna, salmon, crab, surimi, roe, seafood for the canning industry, frozen fish fillets such as hake, cod and plaice to meet the demand for convenient, ready-to-prepare products, peeled and processed shrimp, squid, cuttlefish, octopus and lobster. Opportunities also exist for fruit berries, condiments, fruit juices, and tree nuts, all sectors that have seen growth in recent years.

##### **Leading U.S. Agricultural Exports to Italy (Thousands of U.S. \$)**

	2007	2008	2009	2010	2011
Livestock & Meats	668,522	701,700	621,854	759,564	937,743
Horticultural Products	248,553	328,053	305,313	289,980	318,323
Grains & Feeds	199,646	189,943	128,172	152,193	204,719
Forest Products	228,543	191,004	139,762	185,819	161,018
Fishery Products	84,354	81,152	83,740	89,654	88,204
Cotton, Linters & Waste	25,651	18,755	6,889	15,624	43,060
Oilseeds & Products	103,011	214,032	155,637	80,558	41,707
Planting Seeds	22,606	40,128	31,409	33,403	38,231
Sugar & Tropical Products	13,704	12,584	14,198	11,995	21,177
Poultry & Products	3,623	8,177	4,670	3,122	3,007
Tobacco & Products	2,317	222	1,469	1,964	2,167
Dairy & Products	4,240	5,790	1,258	2,390	1,198
<b>FAS Total</b>	<b>1,604,771</b>	<b>1,791,540</b>	<b>1,494,371</b>	<b>1,626,267</b>	<b>1,860,553</b>

**Source:** U.S. Department of Commerce, U.S. Census Bureau and the Foreign Trade Statistics

##### **Food and Agriculture Import Requirements**

To the extent that European Union food laws have been harmonized, Italy's food laws and regulations follow European Union rules. However, in the event that the EU law may be incomplete or absent, the law of each member state applies. The main principle of the single market concept is to ensure that all food products, whether produced in the EU or imported from a third country, can move freely throughout the EU if they comply with uniform requirements. In reality, certain directives allow Member States to make exceptions i.e. in cases where a country can identify unique concerns about a product intended for import. Free movement can only be guaranteed when all aspects are covered by harmonized legislation: e.g. a foodstuff may comply with the general labeling directive but may carry a health claim for which harmonized rules do not yet exist.

Imported products must meet existing Member State requirements in cases where EU regulatory harmonization is not yet complete. Italian authorities implement EU rules (directives and regulations) for food and agriculture through country specific laws and decrees. Up to date information on Italian and EU food import rules as well as general information on EU import duties and quotas can be found on the USEU website at <http://www.fas.usda.gov/posthome/useu/fairs.html>.

In Italy, Food Safety is the primary responsibility of the Italian Ministry of Health, while food production is the primary responsibility of the Italian Ministry of Agriculture. In some cases other Italian Ministries may have responsibilities, such as the Ministry for Productive Activities on standards, labeling and trade promotion, or the Ministry of Economy and Finance on customs and duties.

U.S. food and beverage products require no special permits nor are they subject to special rules or regulations regarding their retail sale in Italy. The products must comply with the generally applied rules and regulations, as would any other product sold in the EU market. US exporters should also be aware that any food or agricultural product transshipped through Italian territory must meet Italian requirements, even if the product is transported in a sealed and bonded container and is not expected to enter Italian commerce.

Please note that imports of red meat, meat products, pet food, farmed and wild game meat, ratites, milk and milk products, seafood, bovine embryos and semen, porcine and equine semen, gelatin and animal casings to the EU from the U.S. may only originate from EU approved U.S. establishments.

For detailed information on import documentation for seafood, please review the USEU FAS website at <http://www.fas.usda.gov/posthome/useu/Archive/seafood2.html>, and contact the NOAA Fisheries office at the U.S. Mission to the EU ([stephane.vrignaud@mail.doc.gov](mailto:stephane.vrignaud@mail.doc.gov)) or visit the following FDA dedicated web site: <http://www.fda.gov/AboutFDA/CentersOffices/OrganizationCharts/ucm135675.htm>

**Contacts for the Foreign Agricultural Service office, U.S. Embassy Rome**

Website: <http://italy.usembassy.gov/agtrade.html>

Jim Dever, Counselor for Agricultural Affairs  
U.S. Embassy  
Via Veneto 119A  
00187 Rome, Italy  
Tel.: +39-06-4674-2362  
Fax: +39-06-4788-7008  
Email: [James.Dever@fas.usda.gov](mailto:James.Dever@fas.usda.gov) (until Summer 2012)

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#### **Key Italian Government Agencies**

Ministero delle Politiche Agricole e Forestali (Ministry of Agriculture)  
Via XX Settembre 20  
00187 Roma  
Tel: +39-06-46651  
<http://www.agricolturaitalianaonline.gov.it/>

Ministero della Salute (Ministry of Health – Veterinary & Food)  
Via Giorgio Ribotta 5  
00144 Eur-Roma  
Tel: +39-06-59961  
<http://www.ministerosalute.it/>

ANEIOA (Horticultural Association National Importers/Exporters))  
Via Sabotino 46  
00195 Roma  
Tel: +39-06-3751-5147  
Fax: +39-06-372-3569



<http://www.aneioa.it/>

ANIPO (National Importers/Exporters Horticultural Association)  
Largo Brindisi 5  
00182 Roma  
Tel: +39-06-7726-401  
Fax: +39-06-700-4428

FEDERAGROALIMENTARE  
(Italian National Food Organisation)  
Via Gigli d'Oro 21  
00186 Roma  
Tel: +39-06-689-341  
Fax: +39-06-689-3409  
<http://www.fedagri.confcooperative.it/default.aspx>

FEDERVINI  
(Wine Trade Association)  
Via Mentana 2B  
00185 Roma  
Tel: +39-06-4469-421  
Fax: +39-06-494-1566  
<http://www.federvini.it/>

IIAS Istituto Italiano Alimenti Surgelati (Italian Frozen Foods Association)  
Via Castelfidardo 8  
00185 Roma  
Tel: +39-06-42741472  
Fax: +39-06-42011168  
<http://www.istitutosurgelati.org/>

UNA (Poultry Union)  
Via V. Mariano 58  
00189 Roma  
Tel: +39-06-3325-841  
Fax: +39-06-3325-2427  
<http://www.unionenazionaleavicoltura.it/>

UNICEB (Livestock Meat Traders)  
Viale dei Campioni 13  
00144 Roma  
Tel: +39-06-592-1241  
Fax: +39-06-592-1478  
<http://www.uniceb.it/index2.htm>

UNIPi (Pasta Traders Assoc)  
Via Po 102  
00198 Roma  
Tel: +39-06-854-3291  
Fax: +39-06-841-5132  
<http://www.unipi-pasta.it/>

U.S. Department of Agriculture  
FAS (Foreign Agricultural Service)  
U.S. Mission to the EU office  
Webpage: <http://www.fas.usda.gov/posthome/useu/>  
E-mail: [aguseubrussels@fas.usda.gov](mailto:aguseubrussels@fas.usda.gov)

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## Chapter 5: Trade Regulations and Standards

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### Import Tariffs

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The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC. The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/customs\\_tariff/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm)

### Trade Barriers

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For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website: <http://www.ustr.gov/about-us/press-office/reports-and-publications/2011-0>

Information on agricultural trade barriers can be found at the following website: <http://www.fas.usda.gov/posthome/useu/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://export.gov/europeanunion/>

## **Import Requirements and Documentation**

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The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Practically all goods originating in the United States can be imported into Italy without import licensing or free of quantitative restrictions. Only a small group of agricultural items may be subject to import regulations. There are, however, monitoring measures applied to imports of certain sensitive products. The most important of these measures are the import licenses for dual-use items. The import license is the responsibility of the Italian importer and is granted by the Italian Ministry of Economic Development. Importers may download the application (international import certificate) from the Ministry's website at [http://www.mincomes.it/dualuse/dualuse\\_2010/moduli\\_2010/modulo\\_internazionale\\_import.pdf](http://www.mincomes.it/dualuse/dualuse_2010/moduli_2010/modulo_internazionale_import.pdf).

Various controlled products (such as arms and munitions), are the most frequently regulated items. Import licenses are generally granted for goods of U.S. origin rapidly and delays are usually caused by lack of proper documentation, or information.

Licenses are not transferable, although they may be used to cover several shipments within the total quantity authorized. In general, the goods involved are indicated on the license by the Harmonized System classification number and the corresponding wording of the tariff position.

### ***Import Documentation***

#### ***Non-agricultural Documentation***

The official model for written declarations to customs is the Single Administrative Document (SAD). European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. However, other forms may be used for this purpose. Information on import/export forms is contained in Title VII, of Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

Additional information on import/export documentation can be found in Title III, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code (Articles 37 through 57). Goods brought into the customs territory of the

Community are, from the time of their entry, subject to customs supervision until customs formalities are completed.

Goods presented to customs are covered by a summary declaration, which is lodged once the goods have been presented to customs. The customs authorities may, however, allow a period for lodging the declaration, which cannot be extended beyond the first working day following the day on which the goods are presented to customs. The summary declaration can be made on a form corresponding to the model prescribed by the customs authorities. However, the customs authorities may permit the use, as a summary declaration, of any commercial or official document that contains the particulars necessary for identification of the goods. It is encouraged that the summary declaration be made in computerized form.

The summary declaration is to be lodged by:  
the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or the person in whose name the person referred to above acted.

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension of the period.

The Modernized Customs Code (MCC) of the European Union is expected to be fully put into place by July 2013 although there are concerns that this deadline may be missed due to the complexity of the project. Some facets of the MCC implementation have already been put into place such as EU wide Economic Operators Registration and Identification (EORI) numbers. The MCC will replace the existing Regulation 2913/92 and simplify various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:

[http://ec.europa.eu/taxation\\_customs/customs/procedural\\_aspects/general/community\\_code/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm)

#### Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The updated Directive applies to all batteries and accumulators put on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium

(with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. For more information, see our market research report: [http://www.buyusainfo.net/docs/x\\_4062262.pdf](http://www.buyusainfo.net/docs/x_4062262.pdf)

#### REACH

REACH is the system for controlling chemicals in the EU. It came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by the new policy. REACH stands for the "Registration, Evaluation and Authorization and Restriction of Chemicals." REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA), including information on their properties, uses and safe ways of handling them. The next registration deadline is May 31, 2013: <http://echa.europa.eu/web/guest/reach-2013>. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/reachclp/index.asp>

MSDS must be updated to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets:

[http://echa.europa.eu/documents/10162/17235/sds\\_en.pdf](http://echa.europa.eu/documents/10162/17235/sds_en.pdf)

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of substances of very high concern. Substances on that list are subject to communication requirements, and at a later stage, may require authorization for the EU market. For more information, see the ECHA website: <http://echa.europa.eu/web/guest/candidate-list-table>

#### WEEE & RoHS

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. They require U.S. exporters to register the products with a national WEEE authority, or arrange for this to be done by a local partner. The WEEE Directive is currently being revised; U.S. exporters seeking more information on WEEE and RoHS regulations should visit: <http://export.gov/europeanunion/weeerohs/index.asp>

The ROHS Directive, restricting the use of certain chemicals in electrical and electronic equipment, was revised in 2011 to become a CE marking directive and cover medical devices and monitoring and control equipment. The new ROHS Directive will replace the existing one on January 2, 2013. For more information on products covered by the legislation, substances banned in electrical and electronic equipment and the possibility to request exemptions, see:

<http://export.gov/europeanunion/weeerohs/rohsinformation/index.aspCosmetics>

On November 30, 2009, the EU adopted a new regulation on cosmetic products which will apply from **July 11, 2013**. The new law introduces an EU-wide system for the

notification of cosmetic products and the requirement to appoint a responsible person in the EU. For more information, see:

[http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg\\_eu\\_044318.asp](http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp)

#### **Agricultural Documentation**

**Phytosanitary Certificates:** Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

**Sanitary Certificates:** For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.fas.usda.gov/posthome/Useu/certificates-overview.html>

#### **Sanitary Certificates (Fisheries)**

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. Commission Decision 2006/199/EC lays down specific conditions on imports of fishery products from the U.S. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1250/2008. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

Since June 2009, the unique U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU ([stephane.vrignaud@trade.gov](mailto:stephane.vrignaud@trade.gov)) or visit the following NOAA dedicated web site: [http://www.seafood.nmfs.noaa.gov/EU\\_Export.html](http://www.seafood.nmfs.noaa.gov/EU_Export.html)

## U.S. Export Controls

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The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at: <http://www.bis.doc.gov/enforcement/redflags.htm>

Also, BIS has "Know Your Customer" guidance at: <http://www.bis.doc.gov/Enforcement/knowcust.htm>

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <https://www.bis.doc.gov/forms/eeleadsntips.html>

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web site or in Supplement No. 3 to Part 730 of the EAR, which is available on the Government Printing Office Web site at: [http://www.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: <https://www.bis.doc.gov/seminarsandtraining/index.htm>

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov/>

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU member states: EU Member States' Country Commercial Guides

Alternatively, search the Commerce Department's Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.



Material may temporarily be imported into Italy without payment of duties or tax if the material is to be used in the production or manufacture of a product that is to be exported. The importer gives a security deposit, usually in the form of a guarantee from a bank or insurance company, for the amount of the usual duties and taxes. Upon exportation of the finished product, the guarantee is released or the deposit returned.

Temporary entry of goods intended to be re-exported in the same condition is permissible free of import duties and taxes upon approval of an application by Italian Customs.

Italy participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry with exemption from custom charges. However, a bond or cash deposit may be required as security that the goods will be removed from the country. This security is the duty and tax normally levied plus 10 percent. Samples may remain in the country for up to 1 year. They may not be sold, put to their normal use (except for demonstration purposes), or utilized in any manner for remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

Samples of products, without commercial value, are admitted free of duty and taxes. Product literature should be marked "product literature - no commercial value". Samples with commercial value are also admitted duty and tax free, provided that the following conditions are complied with:

- (a) The samples are accompanied by a representative of the U.S. firm with a statement, notarized by an Italian Consulate, identifying the commercial traveler and attesting to the intention that the samples are being imported into Italy only for show or demonstration, and will be re-exported without sale.
- (b) A certificate of origin from a recognized chamber of commerce is submitted to identify the source of the goods.
- (c) A deposit or bond, in the amount of the applicable customs duties and taxes, is made at the point of entry. This will be refunded when the goods are re-exported.
- (d) A list (in duplicate) with a full description of each sample, including weight and value, is submitted. It is helpful to have such a list in Italian.

In practice, samples valued in excess of 2,582 Euro (USD 3,380) are practically impossible to clear through Italian customs informally. In such cases, it is advisable to engage the services of a local freight forwarder.

As a result of various customs agreements, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates clearance for temporary imports of samples or equipment. With a carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also usually saves time since formalities are all arranged before leaving the United States. A carnet is usually valid for 1 year from the date of issuance. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is required, in addition to the price of the carnet. This will be forfeited in the event the products are not re-exported and duties and taxes are not paid.

Carnets are sold in the United States by the U.S. Council for International Business at the following locations:

- 1212 Avenue of the Americas, New York, NY 10036, (212) 354-4480; or 1400 K Street NW, Suite 905, Washington, DC 20005, (202) 371-1316, email at [info@uscib.org](mailto:info@uscib.org).
- Website: [www.uscib.org](http://www.uscib.org)

### **Goods in Transit**

Goods may clear customs with an EU transit procedure, issuing a single transit document under which the goods may be easily shipped across frontiers of the EU member states. These transit documents are completed for the importer by freight forwarders in Italy. The EU transit document provides the basis for a single, comprehensive procedure covering the goods within the EU. Since the single transit document is an EU form, the European importer, customs house broker, freight forwarder, or shipper must prepare the document at the point of entry.

### **Inward and Outward Processing**

Inward processing is the temporary importation of raw material or products for additional manufacture or processing. Merchandise imported for additional processing and eventual re-export out of the EU is eligible for custom-free treatment.

The re-exported goods may be partly or totally processed. The import duty and taxes are levied only on those goods that are not re-exported and are finally sold in the EU. To qualify for inward processing, an Italian (or EU) firm must satisfy customs that it is necessary to use imported goods instead of EU goods; state an intention to export products manufactured from the imported goods (or equivalent goods available in the EU); and assure that, upon re-exportation, the conditions set forth in the authorization are satisfied, the exported products are accounted for, and the entered goods are identifiable and relate to specific importations.

In outward processing, a firm in Italy may export goods, for further manufacture or processing, from the EU customs area and then re-import the final product. Duties and taxes are levied only on the increased value added by the expatriate manufacturing or processing when the goods are returned to Italy, not on the total value of the product. Only firms located in Italy or other EU countries are eligible to take advantage of this option, by gaining approval of the Customs authorities.

## Labeling and Marking Requirements

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An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:  
[http://buyusainfo.net/docs/x\\_366090.pdf](http://buyusainfo.net/docs/x_366090.pdf)

## Prohibited and Restricted Imports

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The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

*CITES Convention on International Trade of Endangered Species*

*PROHI Import Suspension*

*RSTR Import Restriction*

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/customs\\_tariff/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm)

## Customs Regulations and Contact Information

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Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: [http://ec.europa.eu/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

*Major Regulatory Efforts of the EC Customs and Taxation Union Directorate:*

**Electronic Customs Initiative** – Deals with major EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is essentially based on the following three pieces of legislation:

- The Security and Safety Amendment to the Customs Code, which provides for full computerization of all procedures related to security and safety;
- The Decision on the paperless environment for customs and trade (Electronic Customs Decision) which sets the basic framework and major deadlines for the electronic customs projects;
- The modernized Community Customs Code which provides for the completion of the computerization of customs

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/electronic\\_customs\\_initiative/electronic\\_customs\\_legislation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm)

**Customs Valuation** – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

The EU imports in excess of 1.5 trillion euro worth of goods (2010, Eurostat data). It is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis,
- application of commercial policy measures,
- proper collection of import duties and taxes, and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of 'customs value'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/declared\\_goods/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm)

#### **Customs and Security –**

The European Commission manages the EU's external borders security through a harmonized risk assessment system. The Community Customs Code (Regulation (EC) n° 648/2005 of 13 April 2005) established security measures for goods crossing international borders.

The Customs Code security measures:

- require traders to provide customs authorities with information on goods prior to import to or export from the European Union (see Pre Arrival / Pre Departure Declarations);
- provide reliable traders with trade facilitation measures see Authorized Economic Operator (AEO);
- introduce a mechanism for setting uniform Community risk-selection criteria for controls, supported by computerized systems.

Key Link:

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm)

Contact Information for national customs authorities:

[http://ec.europa.eu/taxation\\_customs/taxation/personal\\_tax/savings\\_tax/contact\\_points/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm)

## Standards

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## Overview

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Products tested and certified in the United States to U.S. standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union standards created under the New Approach are harmonized across the 27 EU member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to [http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm). The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a kind of blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

### *Agricultural Standards*

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.fas.usda.gov/posthome/useu/about.html>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website:

<http://www.fas.usda.gov/posthome/useu/about.html>

## Standards Organizations

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EU standards setting is a process based on consensus initiated by Industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.eu/> )
2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates can be checked on line at:  
[http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm)

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, FYR Macedonia, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's "sectors" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal ([http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU legislation, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: <http://www.cen.eu/cenorm/products/cwa/index.asp>

The role of standards in legislation is undergoing review. The Commission's proposal, which is now in its first reading at the European Parliament, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a board will decide which deliverables from fora and consortia will be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: [http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm)

## Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

## Product Certification

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To sell products in the EU market of 27 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

## Accreditation

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Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (<http://www.european-accreditation.org/content/home/home.htm>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.



## Publication of Technical Regulations

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The Official Journal is the official gazette of the European Union. It is published daily on the internet and consists of two series covering draft and adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en> ). It lists the standards reference numbers linked to legislation ([http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm) ).

National technical Regulations are published on the Commission's website [http://ec.europa.eu/enterprise/tris/index\\_en.htm](http://ec.europa.eu/enterprise/tris/index_en.htm) to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT) to report to the WTO all proposed technical regulations that could affect trade with other member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect access to international markets. Register online at Internet URL: <http://tsapps.nist.gov/notifyUS/data/index/index.cfm>

## Labeling and Marking

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: [http://ec.europa.eu/enterprise/prepack/packsize/packsiz\\_en.htm](http://ec.europa.eu/enterprise/prepack/packsize/packsiz_en.htm)

### *The Eco-label*

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently twenty-three different product groups, and approximately 250 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competency body of the member state in which the product is sold. The application fee will be somewhere between €300 and €1300 depending on the tests required to verify if the product is eligible. The eco-label also carries an annual fee equal to 0.15 percent of the annual volume of sales of the product range within the European community. However, the minimum annual fee is currently set at €500 and maximum €25,000.

There are plans to significantly reform the eco-label in the near future, reducing the application and annual fees and expanding the product ranges significantly. It is also possible that future eligibility criteria may take into account carbon emissions.

Key Links:

[Eco-label Home Page](#)

[Product Categories eligible for the Eco-label](#)

[Eco-Label Catalogue](#)

[List of Competent Bodies](#)

[Revision of the Eco-label](#)

[The Eco-label and Carbon Footprint](#)

## Trade Agreements

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For a list of trade agreements with the EU and its member states, as well as concise explanations, please see [http://tcc.export.gov/Trade\\_Agreements/index.asp](http://tcc.export.gov/Trade_Agreements/index.asp)

## Web Resources

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### EU websites:

Online customs tariff database (TARIC):

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/tariff\\_aspects/customs\\_tariff/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm)

The Modernized Community Customs Code MCCC):

[http://europa.eu/legislation\\_summaries/customs/do0001\\_en.htm](http://europa.eu/legislation_summaries/customs/do0001_en.htm)

ECHA: <http://echa.europa.eu>

Taxation and Customs Union:

[http://ec.europa.eu/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Electronic Customs Initiative: Decision N° 70/2008/EC

[http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF)

Modernized Community Customs Code Regulation (EC) 450/2008):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

Legislation related to the Electronic Customs Initiative:

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/electronic\\_customs\\_initiative/electronic\\_customs\\_legislation/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm)

International Level:

What is Customs Valuation?

[http://ec.europa.eu/taxation\\_customs/customs/customs\\_duties/declared\\_goods/european/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm)

Customs and Security: Two communications and a proposal for amending the Community Customs Code

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm)

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML>

Pre Arrival/Pre Departure Declarations:

[http://ec.europa.eu/taxation\\_customs/customs/procedural\\_aspects/general/prearrival\\_predeparture/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm)

AEO: Authorized Economic Operator

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/aeo/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm)

Contact Information at National Customs Authorities:

[http://ec.europa.eu/taxation\\_customs/taxation/personal\\_tax/savings\\_tax/contact\\_points/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm)

New Approach Legislation: [http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm)

Cenelec, European Committee for Electrotechnical Standardization:

<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:

<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:

<http://www.cen.eu/cenorm/homepage.htm>

Standardisation – Mandates:

[http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm)

[http://ec.europa.eu/enterprise/policies/european-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/index_en.htm)

[http://ec.europa.eu/enterprise/standards\\_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR](http://ec.europa.eu/enterprise/standards_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR)

ETSI – Portal – E-Standardisation :

[http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)

CEN – Sector Fora:

<http://www.cen.eu/cenorm/sectors/index.asp>

Nando (New Approach Notified and Designated Organizations) Information System:

<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):

[http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index\\_en.htm](http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index_en.htm)

European Co-operation for Accreditation:

<http://www.european-accreditation.org/content/home/home.htm>

Eur-Lex – Access to European Union Law:

<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:

European Standards

[http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm)

What's New?

[http://ec.europa.eu/enterprise/policies/european-standards/news/index\\_en.htm](http://ec.europa.eu/enterprise/policies/european-standards/news/index_en.htm)

National technical Regulations

[http://ec.europa.eu/enterprise/tris/index\\_en.htm](http://ec.europa.eu/enterprise/tris/index_en.htm)

NIST - Notify U.S.: <http://tsapps.nist.gov/notifyU.S./data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:

<http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/documents/pack-sizes/>

European Union Eco-label Homepage:

[http://ec.europa.eu/comm/environment/ecolabel/index\\_en.htm](http://ec.europa.eu/comm/environment/ecolabel/index_en.htm)

Eco-Label Catalogue:

<http://www.eco-label.com/default.htm>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2009/2009-national-trade-estimate-report-foreign-trad>

Agricultural Trade Barriers:  
<http://www.fas.usda.gov/posthome/Useu/>

Trade Compliance Center:  
<http://www.trade.gov/tcc>

U.S. Mission to the European Union:  
<http://useu.usmission.gov/>

The New EU Battery Directive:  
[http://www.buyusainfo.net/docs/x\\_8086174.pdf](http://www.buyusainfo.net/docs/x_8086174.pdf)

The Latest on REACH:  
<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:  
<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:  
<http://www.fas.usda.gov/posthome/useu/certificates-overview.html>

Center for Food Safety and Applied Nutrition  
<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview  
[http://www.buyusainfo.net/docs/x\\_4171929.pdf](http://www.buyusainfo.net/docs/x_4171929.pdf)

The European Union Eco-Label:  
[http://buyusainfo.net/docs/x\\_4284752.pdf](http://buyusainfo.net/docs/x_4284752.pdf)

Trade Agreements  
[http://tcc.export.gov/Trade\\_Agreements/index.asp](http://tcc.export.gov/Trade_Agreements/index.asp)

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## Chapter 6: Investment Climate

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### Summary, Overview And Update

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Italy's high level of public debt, perennially slow growth, and the ongoing Eurozone financial crisis led to widespread concern in 2011 that Italy could be forced to pay unsustainable yields to service its sovereign debt. While these concerns were likely overstated, the Italian government responded with three "austerity" measures in the form of new taxes and spending cuts totaling more than USD 100 billion during the second half of 2011. The pressure from financial markets also contributed to political change when Prime Minister Silvio Berlusconi stepped aside in November for Mario Monti to lead a non-elected, technical government. Monti moved quickly to address a number of economic structural impediments to reassure financial markets, encourage growth, and improve Italy's investment climate. Monti's efforts – including on rigid labor markets, opaque tax and commercial laws, tax evasion, and excess regulation -- have continued into 2012.

Even if the Monti government makes progress in changing decades of norms and convincing entrenched interest groups to allow reform, old challenges continue to deter

investors, including the presence of organized crime in many parts of the country. In 2011, Italy ranked below nearly all its EU peers in international NGO rankings of regulatory transparency and ease of doing business. Not coincidentally, Italians in 2011 again invested more abroad than foreigners invested in Italy. Net investment inflows dropped from 15.6 billion Euros in 2009 to 7.2 billion Euros in 2010, while net Italian investment abroad was almost unchanged from 2009 at 15.9 billion Euros.

In 2011, progress on the government's "fiscal federalism" project - to reform the public finance system by devolving decision-making and accountability from the central government to regional and local entities - ground to a halt. The government, however, renewed its push to attract investment in the south, partially through targeted use of EU structural funds, to address the region's high levels of corruption, unemployment, and lack of infrastructure.

The GOI in 2011 remained open to specific foreign sovereign wealth funds to invest in shares of Italian companies and banks and continued to make information available online to prospective investors. Other GOI efforts to sell Italy as a desirable direct investment destination were increasingly overshadowed in 2011 by the Eurozone financial crisis, Italy's political turmoil, and the country's high debt-to-GDP ratio. Italy's new government announced some measures in early 2012 that could bolster infrastructure spending in targeted areas and provide investment and tax incentives. Italy's large, relatively affluent domestic market, proximity to emerging economies in North Africa and the Middle East, and assorted centers of excellence in scientific and information technology research remain attractive to many investors.

U.S. investors in 2011 encountered problems stemming from excessively complex and seemingly arbitrary interpretation of tax regulations by authorities, in particular rules on transfer pricing for multinational firms' transactions with Italian subsidiaries. Some Italian local governments and independent prosecutors sued several U.S. financial institutions over allegedly fraudulent sophisticated financial transactions between government entities and the banks. Internet content providers battled Italian authorities' somewhat draconian interpretation of privacy laws that purported to hold the firms accountable for all content uploaded by users of social media and community sites. Italy's digital infrastructure remained markedly subpar in 2011.

## Background

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Italy's economy, the eight largest in the world, is fully diversified, but dominated by small and medium-sized firms (SMEs), which comprise 99 percent of the number of businesses in Italy. It is an original member of the 17-nation Eurozone. Germany, France, the U.K. and the U.S. remain Italy's most important trade partners, with China gaining ground as a supplier of consumer goods. Tourism is an important source of external revenue. Italy continues to lag behind many industrialized nations as a recipient of direct foreign investment. According to the UN Conference on Trade and Investment, Italy has bilateral investment treaties with 96 nations; although not with the United States (see section on Bilateral Investment Agreements for full list).

Italy welcomes foreign direct investment. As an EU Member State, Italy is bound by EU treaties and laws, including those directly governing or indirectly impacting business investments. Under the EU treaty's Right of Establishment and the Friendship, Commerce and Navigation Treaty with the U.S., Italy is generally obliged to provide national treatment to U.S. investors established in Italy or in another EU member state. Exceptions include access to government subsidies for the film industry, capital requirements for banks domiciled in non-EU member countries, and restrictions on non-EU-based airlines operating domestic routes. Italy also has investment restrictions in the shipping sector.

EU and Italian anti-trust laws give EU and Italian authorities the right to review mergers and acquisitions over a certain financial threshold. The government may block mergers involving foreign firms for "reasons essential to the national economy" or if the home government of the foreign firm applies discriminatory measures against Italian firms. Foreign investors in the defense or aircraft manufacturing sectors are likely to encounter an opaque process and resistance from the many ministries charged with approving foreign acquisitions of existing assets or firms, most of which are controlled to some degree by the para-statal defense conglomerate Finmeccanica.

Foreign investors were not precluded from investing in the privatization of government-owned companies that occurred at the turn of the century, except in the defense sector. The process, however, almost in all cases entailed the GOI retaining a "golden share" (a government stake with controlling authority) in the privatized company or establishing a core group of Italian shareholders who agreed to keep their shares for a minimum period. The Italian government retained special rights in ~~five~~ ~~six~~ Italian firms -- ENEL (utilities), ENI (oil/gas), Finmeccanica (industrials/defense), Telecom Italia (telecommunications), ~~Save (industrials)~~, and Terna (utilities). As a result, government policy in these key economic sectors tends to favor the interests of these specific firms, and not necessarily the broader economic good. As part of a wide range of planned government reforms to liberalize services in Italy's economy, the government proposed in early 2012 unbundling of natural gas production and distribution.

The Italian Trade Commission (ICE) reported in January 2010 that 7,608 foreign companies operate in Italy (compared to 7,152 in 2009), employing 931,924 workers (up from 853,000 in 2008), with overall sales of 496.9 billion Euros (up from 429.5 billion Euros in 2009). This appears, in part, to be a result of recovery from the 2008-9 global crisis. According to ICE, the stock of foreign investment in Italy continues to equal 12 percent of GDP, far less than in many EU nations. Approximately 82 percent of foreign companies operating in Italy are located in the north, a percentage that has grown in recent years as the number of companies in the south has contracted. The ICE study cites as key obstacles to foreign investment: labor taxes, lack of labor flexibility, red tape, and high corporate taxes. Net direct investment inflows in 2011 totaled USD 9.2 billion, well below Italy's Eurozone counterparts. Outflows exceeded inflows.



The World Economic Forum's (WEC) 2011-2012 Global Competitiveness Guide ranked Italy 43<sup>rd</sup> out of 133 countries with a score of 4.8 on a seven-point scale. While this represented a five-place (and half-a-point) improvement over the previous year, Italy remains the lowest-ranked G-7 member country on almost every individual element. In more complex areas measured, particularly the sophistication of its businesses environment, Italy internationally ranked 26<sup>th</sup> for its business clusters and production of goods high on the value chain (down three slots from the year before). The WEC ranked Italy 123<sup>rd</sup> for its rigid labor market and poor job creation (a five step downgrade). Although Italy's ranking for business development finance climbed four spots, the report still deemed that area insufficient. Other institutional weaknesses the WEC cited included high levels of corruption and organized crime and a perceived lack of independence within the judicial system – all of which increase business costs and undermine investor confidence. Italy ranked 92<sup>nd</sup> overall for its institutional environment.

The World Bank Report on Doing Business 2011, based on the criteria of the International Finance Corporation (IFC), ranked Italy 80<sup>th</sup> (down from 76<sup>th</sup> in 2010) in a list of 183 countries in terms of business friendliness. Italy was ranked below all other industrialized OECD countries, and below Belarus (69<sup>th</sup>), Rwanda (45<sup>th</sup>) and Albania (51<sup>st</sup>). Several specific indicators had deteriorated, including building permits (92<sup>nd</sup>), time to start-up an industrial plant (95<sup>th</sup>), access to credit (89<sup>th</sup>), protection of investors (59<sup>th</sup>) and enforcing contracts (157<sup>th</sup>). The World Bank noted that high corporate taxes and excessive taxation of profits continued to be major problems and consequently ranked Italy 128<sup>th</sup>. On a positive note, Italy ranked 30<sup>th</sup> on ease of closing a business, due to recent reforms of bankruptcy procedures.

The government began trying to reduce many market rigidities in early 2012, by issuing a "liberalization" decree that, *inter alia*, could open up the energy and transportation sectors; introducing a "simplification" decree aimed at reducing red tape for companies and increasing online government services; and commencing a dialogue on labor reforms. Full implementation and enforcement of these measures could improve Italy's economic freedom index considerably.

Transparency International's (TI) Corruption Perceptions Index 2011 ranked Italy 69<sup>th</sup> out of 182 countries evaluated, down from 63<sup>rd</sup> in 2009 and 41<sup>st</sup> three years ago. While better than 113 other countries, Italy lags behind most of its G-8/EU/OECD partners and countries such as Turkey (61<sup>st</sup>) and Saudi Arabia (57<sup>th</sup>). TI's International Corruption Perceptions Index is an annual poll of polls ranking countries for perceived public-sector corruption.

According to TI, less than 30 percent of Italy's population believes the government is effective in fighting corruption. In TI's latest survey, Italians rated their Parliament and political parties as "very corrupt." Italy ranked 15<sup>th</sup> out of the 28 largest global economies in perceptions of bribe paying, and last among the countries of Western Europe. The NGO Global Integrity (GI) noted in 2010 that Italy had poor mechanisms to fight corruption in public administration and lacked effective laws on conflict of interest. GI also found serious weaknesses in the protection of "whistle-blowers" and in the regulations governing political party financing.

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## **Conversion and Transfer Policies**

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In accordance with EU directives, Italy has no foreign exchange controls. There are no restrictions on currency transfers; there are only reporting requirements. Banks are required to report any transaction over 15,000 Euros (USD 22,500) due to money laundering and terrorism financing concerns. Profits, payments, and currency transfers may be freely repatriated. Residents and non-residents may hold foreign exchange accounts. A tax-evasion measure in force since December 2011 requires all payments over €1000 to be electronic. The law exempts e-money services, banks and other financial institutions, but does not exempt payment services companies (such as those who can perform wire transfers abroad).

## **Expropriation and Compensation**

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The Italian constitution permits expropriation of private property for "public purposes," defined as essential services or measures indispensable for the national economy, with fair and timely compensation. There are a few long-standing disputes in Italy involving U.S. citizens who assert that municipal governments unjustly expropriated their real property or inadequately compensated them. These disputes do not reflect systematic GOI discrimination against U.S. investments.

## **Dispute Settlement**

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Though notoriously slow (civil trials average seven years in length), the Italian legal system meets generally recognized principles of international law, with provisions for enforcing property and contractual rights. Businessmen and travelers to Italy should be aware; however, that the Italian legal system does not have some of the basic rights protections found in U.S. and other European laws. Jury members are selected at random but are not vetted for prejudices nor are they sequestered during trials; accordingly, negative or inaccurate news stories can prejudice outcomes of trials. Italy has a written and consistently applied commercial and bankruptcy law. While the Italian judiciary is considered independent of the government, parties to disputes sometimes accuse Italian judges of political partisanship. Foreign investors in Italy can choose among different means of dispute resolution, including legally binding arbitration. Italian courts accept and enforce foreign and arbitral panel judgments only upon request, however, which puts the issue back into the Italian judiciary.

The Italian Government legally mandated steps to speed up civil trials in August 2011. The judicial system had six months to draft implementing legislation, which had yet to be announced as of February 2012. One civil court in Torino, Italy, cut the average time of arbitration there by half simply by implementing two new internal practices: requiring judges to follow one case at a time (instead of several) and requiring judges to pass incomplete cases to a colleague if going on leave.

Italy is a member of the World Bank's International Center for the Settlement of Investment Disputes (ICSID). Italy has signed and ratified the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States, and is a signatory of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

At the end of 2007, the GOI approved new bankruptcy regulations analogous to U.S. Chapter 11 restructuring, to provide more flexibility between firms and their creditors to reach a solution before declaring bankruptcy. The judiciary's role in bankruptcy proceedings has been drastically limited to simplify and expedite the process.

#### **Performance Requirements/Incentives/Taxes**

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The GOI is in compliance with WTO Trade-Related Investment Measures (TRIMS) obligations. Foreign investors face specific performance requirements only in the telecommunications sector. While this has not prevented foreign investment in telecommunications, a notable lack of transparency in the sale of Telecom Italia drove a potential U.S. investor away in 2007.

The GOI offers modest incentives to encourage private sector investment in economically depressed regions, particularly southern Italy. The incentives are available to foreign investors as well, and U.S. companies can usually access grants if the planned investment is located in priority (less developed) regions and if the companies have subsidiaries in the EU or are partnered with local firms.

The Minister of Education, University and Research has identified, funded, and signed Framework Program Agreements with eleven "Technology Districts" and public-private joint laboratories focused on strategic sectors. The GOI has created Technology Districts to facilitate cooperation between public and private researchers and venture capitalists, support the research and development of key technologies, strengthen industrial research activities, and promote innovative behavior in small- and medium-sized enterprises.

The Italian tax system does not discriminate between foreign and domestic investors. The 2008 budget reduced corporate income tax (IRES) rates by 5.5 nominal points from 33 to 27.5 percent, and trimmed the regional business tax (IRAP) from 4.35 to 3.9 percent. Such cuts were in response to increased EU-wide competition for investment, particularly as the enlargement of the EU to 27 members ushered in various low cost, low tax East European states. Overall, Italy's effective tax rate decreased from 37.35 percent to 31 percent. However, austerity packages implemented in 2011 reversed some of these cuts. First, the government increased the IRAP tax rate to: 4.2 percent for most companies with government contracts (agriculture, highway management and tunnels contracts were exempted); 4.65 percent for banks and financial companies; and 5.90 percent for insurance companies. In December 2011, the government attempted to provide limited IRAP relief by allowing companies to deduct the full amount of IRAP paid for new hires of women and youth in 2012. Nevertheless, Italy's corporate tax rate remains the highest in the EU.

In 2009 the U.S. and Italy enacted an income tax agreement to prevent double-taxation of each others' nationals and firms, and to improve information sharing between tax authorities. Two firms have complained that a new stamp tax on money transfers is in violation of that tax treaty.

The GOI has tried to off-set the effect of corporate tax cuts on public revenue by introducing compensatory measures that keep effective rates of taxation high. They include:

- setting new limits to the deductibility of interest;
- abolishing accelerated depreciation; and
- revising the tax treatment of consolidated reporting.

In addition, successive governments have sought to improve enforcement of existing tax laws.

#### **Right to Private Ownership and Establishment**

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There is no limitation in the Italian constitution or civil law on the right to private ownership and establishment of investments.

#### **Protection of Intellectual Property Rights**

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Inadequate enforcement of Intellectual Property Rights (IPR) remains a serious problem in Italy. While anti-piracy and anti-counterfeiting laws on the books are widely regarded as adequate, relatively few IPR cases are brought to trial. Judges still regard IPR violations (and copyright violations in particular) as petty offenses, and the magistracy is a weak link in combating piracy in Italy. The Italian Finance Police (GDF) and Customs Police are active in combating IPR theft, but few cases reach final sentencing. Italy remains on the Special 301 Watch List due to insufficient IPR enforcement and insufficient progress to combat internet piracy.

Italy's restrictive interpretation of EU privacy laws prevents IP rights holders from monitoring downloading/uploading of copyrighted content over peer-to-peer networks. This makes it virtually impossible for rights holders to pursue civil or criminal actions against infringers. Currently there are no agreements between Internet Service Providers and rights holders on standard notice and take-down procedures.

Copyrighted works sold in Italy generally must bear a sticker issued by SIAE, Italy's royalty collection agency operating under loose authority from the Ministry of Culture. Business software is exempted, though obtaining this exemption requires some (tedious) paperwork. The music and film industries previously supported application of the sticker, but are now dissatisfied with the system, asserting it has become overly burdensome, costly, and has failed to provide adequate protection from piracy.

Italy was included in the Watch List in the 2011 United States Trade Representative Special 301 Report. Key concerns cited in the 2011 report include continued widespread copyright piracy and trademark counterfeiting; the lack of an expeditious legal mechanism for rights holders to address piracy on the Internet; and lack of systemic deterrent sentences. The report also welcomed signs of renewed commitment by the Italian government to address Internet piracy. Italy's Communications Regulator –

AGCOM – is preparing regulations to address online piracy, including via a notice-and-takedown system and possibly action regarding websites operating from other countries.

Italy is a member of the Paris Union International Convention for the Protection of Industrial Property (patents and trademarks) to which the United States and about 85 other countries adhere. U.S. citizens generally receive national treatment in acquiring and maintaining patent and trademark protection in Italy. After filing a patent application in the United States, a U.S. citizen is entitled to a 12-month period within which to file a corresponding application in Italy and receive rights of priority. Patents are granted for 20 years from the effective filing date of application and are transferable. U.S. authors can obtain copyright protection in Italy for their work first copyrighted in the United States, merely by placing on the work, their name, date of first publication, and the symbol (c).

#### **Transparency of The Regulatory System**

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Italy is subject to single market directives mandated by the EU, which are intended to harmonize regulatory regimes among EU countries. This process has at times introduced additional uncertainty for U.S. companies.

For example, the EU in 2009 ordered the GOI to recover from a US investor previously agreed subsidies for electricity. The GOI had provided these subsidies to induce the investor to keep two plants operating in Italy. The firm operated its plants for several months under considerable uncertainty, until the GOI found a mechanism acceptable to the EU through which to provide the agreed financial support.

In general, the average firm in Italy faces an uphill climb to comply with business regulations. According to a 2004 World Bank study, an entrepreneur wishing to start a business in Italy must follow 16 procedures, spend an average of 62 days, and pay around USD 5,000 in fees. The study found that it costs more to open a business in Italy than anywhere else in Europe, with the exceptions of Greece and Austria. The government issued a simplification decree in early February 2012, which aimed to reduce the amount of red tape and fees required to open a business by eliminating 15 obsolete laws. Additionally, the decree aimed to increase the amount of e-government services available. A “liberalization” decree of January 2012 provided limited incentives for entrepreneurs under age 35 to start a new businesses, decreasing the registration fee to 1 euro in 2012 and dramatically reducing filing requirements.

Various foreign firms, including some U.S. ones, report that they have been harassed by the GOI at the instigation of politically connected competitors. A web of sometimes contradictory laws and regulations serves as a useful tool for vested interests to use against foreign upstarts. In addition, in some industries such as new media and financial services, investors complain that local judicial authorities seem to lack the technical capacity to enforce Italian laws on, for example, consumer protection, IPR, and competition, especially when these lag process and product innovations in the market.

#### **Efficient Capital Markets and Portfolio Investment**

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The banking system in Italy has consolidated significantly since several major 2007 mergers. Anti-trust regulations required significant reduction of personnel, sale of assets

and reduction in the number of branches follow those mergers. At the end of 2010, there were 23 subsidiaries of foreign companies or banks operating in Italy out of 760 total banks. Two of these foreign subsidiaries figured among the Italy's top ten banking groups, holding 9.5 percent of total Italian assets. Thirty-seven foreign shareholders – mainly from EU countries – held equity interests of more than five percent in 47 banks.

Despite major strains to the financial system in Italy due to rising borrowing costs in the second half of 2011, the Italian banking system appears relatively sound. Tensions in the sovereign debt market in 2011 and the enforcement of new European rules for evaluating bank assets affected banks' ability to raise funds, which in turn squeezed bank profit margins. Additionally, with few exceptions, Italian banks undertook capital increases in 2010 and early 2011, which further stressed profits. Despite long-running recommendations from the Bank of Italy to reduce fees, bank fees remain among the highest in Europe.

Financial resources flow relatively freely in Italian financial markets and capital is allocated mostly on market terms. Foreign participation in Italian capital markets is not restricted. While foreign investors may obtain capital in local markets and have access to a variety of credit instruments, access to equity capital is difficult. Italy has a relatively underdeveloped capital market and businesses have a long-standing preference for credit financing. What little venture capital that exists is usually provided by established commercial banks and a handful of venture capital funds.

The Italian stock exchange ("Borsa Italiana") is relatively small -- fewer than 300 companies -- and is effectively an inaccessible source of capital for most Italian firms. Italian firms seem to prefer to get capital from banks. The London Stock Exchange owns the Milan Stock exchange. The Italian Companies and Stock Exchange Commission (CONSOB), established in 2005 after a spate of scandals, is the Italian securities regulatory body. In January 2011, EU Member States established three EU-level regulatory agencies for financial services and related activities: A London-based banking oversight institution (EBA), a Paris-based financial market oversight institution (ESMA), and a Frankfurt-based insurance and pension funds oversight institution (EIOPA).

Financial services companies incorporated in another EU member state may offer investment services and products in Italy without establishing a local presence. Cross-EU standardization of regulations should address U.S. and other foreign banks' complaints that Italian interpretation of EU financial regulations tends to be stricter than in other countries. Europeans have as yet to resolve the question of authorizing non-EU financial services firms to operate under one comprehensive regulatory regime, as opposed to several dozen national ones.

Most non-insurance investment products are marketed by banks, and tend to be debt instruments. Italian retail investors are conservative, valuing the safety of government bonds over most other investment vehicles. Less than ten percent of Italian households own Italian company stocks directly. Of those who do own stocks, the weight of direct stock shareholding in their portfolios averages around 22 percent. A few banks have established private banking divisions to cater to high net worth individuals with a broad array of investment choices, including equities and mutual funds.

There are no restrictions on foreigners engaging in portfolio investment in Italy. Any Italian or foreign investor acquiring a stake in excess of two percent of a publicly traded Italian corporation must inform CONSOB, but does not require its approval. Any Italian or foreign investor seeking to acquire or increase its stake in an Italian bank equal to or greater than five percent must receive authorization from the Bank of Italy.

- <http://www.informazione.it/a/A6D77212-C268-4CA2-B0DA-05AB91CD21F4/Banche-autorizzazione-Bankitalia-adesso-solo-per-quote-oltre-10>

#### Competition from State Owned Enterprises

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The Italian government has in the past owned and operated a number of monopoly or dominant companies in certain strategic sectors. However, beginning around 2002, the government began to privatize most of these state owned enterprises. Notwithstanding this privatization effort, as noted above, the government still retains a controlling interest ("golden share") in several key industrial firms, e.g., Finmeccanica (a defense/aerospace/security conglomerate), ENI (oil and gas), ENEL (electricity), Terna (utilities), Trenitalia (transportation), Poste Italiane (in their financial services operations), Sme (industrials), and Telecom Italia (telecommunications). In practice, these parastatal firms have not completely shed their government monopoly mindset, and they continue to benefit from favorable government policies that give them an advantage in public procurement decisions and other critical areas affecting their business. In some cases, particularly in the industrial sectors, U.S. firms seeking to do business in these strategic areas have found it advantageous to form partnerships with the parastatals rather than try to compete head-to-head with them.

#### Corporate Social Responsibility

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Since 2000 when it signed the *Declaration on International Investment and Multinational Enterprises*, Italy supports and encourages compliance with the OECD's Guidelines for Multinational Enterprises ("Guidelines"), which are recommendations addressed by governments to multinational enterprises operating in or from adhering countries (the OECD members plus Argentina, Brazil and Chile). They provide voluntary principles and standards for responsible business conduct, in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, competition, taxation, and science and technology.

Key links: OECD Guidelines: <http://www.oecd.org/dataoecd/12/21/1903291.pdf>

Full text in English: <http://www.oecd.org/dataoecd/56/36/1922428.pdf>

The Italian National Contact Point (NPC) for encouraging observance of the Guidelines in Italy and for ensuring that the Guidelines are well known and understood by the national business community and by other interested parties is located in the Ministry of Economic Development. The NPC spreads and enforces the Guidelines, disseminates related information, promotes the collaboration among national and international institutions, the economic world and the civil society.

Key link: Italian National Contact: [http://www.pcnilalia.it/home-en/view?set\\_language=en](http://www.pcnilalia.it/home-en/view?set_language=en)

## Political Violence

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Political violence is not a threat to foreign investments in Italy, but corruption, especially associated with organized crime, can be a major hindrance, particularly in the south – see next section.

## Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

Corruption and organized crime are significant impediments to investment and economic growth in parts of Italy. In 2008, the Anti Corruption High Commissioner's Office (an independent authority) was closed and replaced by an office within the Ministry for Public Administration, the Anticorruption and Transparency Service (SAeT). SAeT monitors corruption trends, establishes guidelines for public ethics, and participates in international anti-corruption efforts with fewer resources and less independent authority than the previous Commission. However, a new independent advisory Committee on Corruption was created in 2011 with an apparently strong mandate from the new Monti government. The Committee is expected to recommend additional amendments to anti-corruption legislation that has been pending since 2010 in parliament. If the pending legislation is approved, the Committee will expand its structure and mandate by assuming many of the powers previously held by the Anti Corruption High Commissioner and some currently assigned to SAeT.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed



information on the FCPA, see the FCPA Lay-Person's Guide at:  
<http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Italy ratified the 1997 OECD Convention on Combating Bribery and implemented its provisions in September 2001. However, it is unclear whether SAeT's powers enable Italy to prosecute the bribery of foreign officials, a key obligation under the convention.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. According to SAeT, Italy enacted the United Nations Convention against Corruption in 2009. Corruption is punishable under Italian law although, as in all judicial processes, much discretion regarding punishment is left to the presiding judge. Most recent corruption convictions have involved government procurement or bribes to tax authorities. Bribes are not considered deductible business expenses under Italian tax law.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires

criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).) Italy is a party to both.

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Italy does not have an FTA with the U.S.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report a Trade Barrier” Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the

FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above. Corruption is punishable under Italian law. As in all judicial processes, much discretion regarding punishment is left to the presiding judge. Most corruption in recent years has involved government procurement or bribes to tax authorities. Bribes are not considered deductible business expenses under Italian tax law.

### Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/department/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual Global Corruption Report (CPIR) which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>. In the CPIR, TI placed Italy in 69th position alongside Ghana and Macedonia. Italian authorities claim that the ranking is misleading and unfair to Italy. While highly publicized anti-corruption enforcement activities have been underway for years, there is general agreement that a high level of corruption limits Italy’s economic growth and ability to attract foreign investment.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Organized crime is particularly prevalent in four regions of the south (Sicily, Calabria, Campania, and Apulia). Organized crime (Mafia, Camorra, 'Ndrangheta and Sacra Corona Unita) had an estimated turnover in 2011 of 140 billion Euros (including legitimate commercial activities accounting for 92 billion Euros), or 7 per cent of Italy's GDP. Organized crime is involved in racketeering, loan-sharking, drug smuggling, illegal toxic waste disposal, the manufacture and distribution of pirated and counterfeit products, and prostitution. There is anecdotal evidence that organized crime groups may be attempting to profit from the tight credit climate, by increasing their loan-sharking activities. Organized crime is not limited to the south; in fact, the main crime syndicates are heavily involved in money laundering throughout the country and abroad.

In 2007, Italy's main business association Confindustria revised its statute to make it obligatory to expel members found to be paying protection money and to assist those in reporting extortion attempts to authorities. The policy is based on Confindustria Sicily's local ethics initiative, which has already expelled or reported 30 members and assisted 150 others to report racketeering to authorities.

## Bilateral Investment Agreements

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As of June 2011, Italy has bilateral investment agreements with the following countries:

Albania  
Algeria  
Angola  
Argentina

Armenia  
Azerbaijan  
Bangladesh  
Bahrain  
Barbados  
Belarus  
Belize (signed, not in force)  
Bolivia  
Bosnia and Herzegovina  
Brazil (signed, not in force)  
Bulgaria  
Cameroon  
Cape Verde (signed, not in force)  
Chad  
Chile  
China  
Congo  
Cote d'Ivoire (signed, not in force)  
Croatia  
Cuba  
Czech Republic (signed, not in force)  
Cyprus (signed, not in force)  
Democratic Republic of Congo (signed, not in force)  
Dominican Republic (signed, not in force)  
Ecuador  
Egypt  
Eritrea  
Estonia  
Ethiopia  
Gabon  
Georgia  
Ghana (signed, not in force)  
Guatemala  
Guinea  
Hong Kong  
Hungary (signed, not in force)  
India  
Indonesia  
Iran, Islamic Republic of  
Jamaica  
Jordan  
Kazakhstan  
Kenya  
Korea, DPR of (signed, not in force)  
Korea, Republic of  
Kuwait  
Latvia (signed, not in force)  
Lebanon  
Libya  
Lithuania  
Macedonia, Republic of

Malawi (signed, not in force)  
Malaysia  
Malta (signed, not in force)  
Mauritania (signed, not in force)  
Mexico  
Moldova, Republic of  
Mongolia  
Morocco  
Mozambique  
Namibia  
Nicaragua  
Nigeria  
Oman  
Pakistan  
Panama  
Paraguay (signed, not in force)  
Peru  
Philippines  
Poland  
Qatar  
Romania  
Russian Federation  
Saudi Arabia  
Slovakia (signed, not in force)  
Slovenia (signed, not in force)  
South Africa  
Sri Lanka  
Sudan (signed, not in force)  
Syrian Arab Republic  
Tunisia  
Turkey  
Turkmenistan (signed, not in force)  
Uganda  
Ukraine  
United Arab Emirates  
Tanzania, United Republic of  
Uruguay  
Uzbekistan  
Venezuela (signed, not in force)  
Vietnam  
Yemen  
Zambia (signed, not in force)  
Zimbabwe (signed, not in force)

#### **OPIC And Other Investment Insurance Programs**

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The U.S. Overseas Private Investment Corporation (OPIC) does not operate in Italy, as it is a developed country. Italy's Export Credit Agency, SACE, is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

Italy's unemployment rate, which reached 8.4 percent in December 2011, has crept up as a decade of low growth and the slowing world economy have taken their toll. Most observers expect the unemployment rate to increase in 2012 because of the projected economic contraction of between one and two percent of GDP and the expiration of some unemployment benefit programs. The official unemployment data does not count temporarily laid-off employees receiving benefits from the "wage guarantee fund" (for struggling or restructuring companies). The Bank of Italy believes that the real unemployment rate is at least two percentage points higher than official data.

Traditional regional labor market disparities remain unchanged, with the southern third of the country posting a significantly higher unemployment rate compared to northern and central Italy. Despite these differences, internal migration within Italy remains modest, while industry-wide national collective bargaining agreements irrationally set equal wages across the entire country. Shortages in the North of unskilled and semi-skilled labor are often filled by immigrants from Eastern Europe and North Africa.

In December 2011, the unemployment rate for youth between the ages of 14 and 25 was more than 30 percent, well above the EU average and lower than only Spain, Greece, Slovakia, and Portugal. An estimated 2.2 million Italians between the ages of 15 to 34 do not study, do not work, and are not looking for a job. The government stated that the harsh employment climate for youth will be a major focus in 2012. There is anecdotal evidence of "brain drain," particularly among the well-educated. Data indicate an increasing willingness, particularly by young Italians, to move for employment – both within Italy and abroad. Firms interested in investing in Italy may have difficulty finding specialized and experienced young employees.

On paper, companies may bring in a non-EU employee after the government-run employment office has certified that no qualified, unemployed Italian is available to fill the position. In reality, the cumbersome and lengthy process acts as a deterrent to foreign firms seeking to comply with the law. Work visas are subject to annual quotas, although intra-company transfers are exempt from quota limitations.

There are substantial legal obstacles to hiring and firing workers although in recent years, the Italian labor market has become slightly more flexible. A series of legal reforms has encouraged the hiring of part-time employees by reducing employer social security contributions for these workers. New laws have also created opportunities for outsourcing, job-sharing, and use of private employment services. New types of contracts now exist that allow for reduced labor costs. However, high costs and legal obstacles associated with laying off workers still remain a disincentive to adding permanent employees. The government views reduction of inequalities, imbalances, and rigidities in the labor market as a necessary component of its growth and fiscal discipline agenda. In early 2012 the Italian government initiated high-level discussions with key constituencies on ways to reform the labor market, including making firing easier, standardizing labor contracts, and reforming unemployment benefits.

Italy is an International Labor Organization (ILO) member country. Terms and conditions of employment are periodically fixed by collective labor agreements in different professions. Most Italian unions are grouped into four major national confederations: the General Italian Confederation of Labor (CGIL), the Italian Confederation of Workers' Unions (CISL), the Italian Union of Labor (UIL), and the General Union of Labor (UGL). The first three organizations are affiliated with the International Confederation of Free Trade Unions (ICFTU), while UGL has been associated with the World Confederation of Labor (WCL). The confederations negotiate national level collective bargaining agreements with employer associations, which are binding on all employers in a sector or industry irrespective of geographical location.

## Foreign Trade Zones/Free Ports

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The main free trade zone in Italy is located in Trieste, in the northeast. At Trieste FTZ, customs duties are deferred for 180 days from the time the goods leave the FTZ and enter another EU country. The goods may undergo transformation free of any customs restraints. An absolute exemption is granted from any duties on products coming from a third country and re-exported to a non-EU country. Legislation to create other FTZs in Genoa and Naples exists, but has yet to be implemented. A free trade zone operated in Venice for a period but is being restructured. Currently, goods of foreign origin may be brought into Italy without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported. The free-trade zone law also allows a company of any nationality to employ workers of the same nationality under that country's labor laws and social security systems.

## U.S. Companies in Italy

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The largest U.S. companies in Italy, based on number of employees, are: IBM, General Electric, Pfizer, Whirlpool, Electronic Data Systems (EDS), Accenture, Lear, and United Technologies.

## Foreign Direct Investment Statistics

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Italy lags behind many of its fellow EU member states in attracting and maintaining foreign investment. According to the United Nations Committee on Trade and Development (UNCTAD) figures, net foreign investment into Italy in 2010 totaled USD 119.52 billion (equal to 0.66 percent of GDP), well below its Eurozone counterparts. Outflows of USD 21.034 billion in 2009 exceeded inflows of USD 9.52 billion.

Data on Italian Investment Inflows (direct and portfolio) is available at [http://www.unctad.org/sections/dite\\_dir/docs/wir11\\_fs\\_it\\_en.pdf](http://www.unctad.org/sections/dite_dir/docs/wir11_fs_it_en.pdf)

Or

[http://www.bancaditalia.it/pubblicazioni/relann/rel10/rel10en/en\\_stat\\_app\\_10.pdf](http://www.bancaditalia.it/pubblicazioni/relann/rel10/rel10en/en_stat_app_10.pdf)  
[http://www.bancaditalia.it/pubblicazioni/relann/rel09/rel09it/appendice/app09\\_12\\_bilancia\\_pagamenti.pdf](http://www.bancaditalia.it/pubblicazioni/relann/rel09/rel09it/appendice/app09_12_bilancia_pagamenti.pdf)

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Table 1: Italian Foreign Direct Investment Inflows by Economic Sector (Net) 2008-2010  
(USD Millions) (1) (\*)

	2008	2009	2010
Agriculture and Fishing	-248.5	133.0	351.0
Mining	-14.6	20.9	-49.1
Manufacturing	-1612.6	3534.6	4431.8
Electricity, water and gas	1217.8	279.0	-459.6
Constructions	-207.6	393.7	721.8
Trade	956.1	2080.8	10372.2
Transportation/Communication	-286.5	1404.2	-4339.1
Hotel and restaurant	-7.3	1.3	1222.5
Banking/Insurance	-13096.5	6684.5	582.8
Real Estate, Renting and R&D	343.6	481.1	2602.6
Other Services	2133.0	3825.3	-6255.6
T O T A L	-10823.1	18838.3	9181.5

Table 2: Italian Direct Investment Outflows by Economic Sector (Net) 2008-2010 (USD  
Millions) (1) (\*)

	2008	2009	2010
Agriculture and Fishing	1119.9	-186.4	723.2
Mining	9956.1	9045.6	3288.7
Manufacturing	19350.9	2670.1	9927.2
Electricity, water and gas	748.5	-5962.2	2303.3
Constructions	666.7	1372.9	5291.4
Trade	4092.1	-569.8	-429.1
Transportation/ Communication	1206.1	219.0	4990.1
Hotel and restaurant	796.3	-121.2	-1973.5
Banking/Insurance	20016.1	10575.0	2339.1
Real Estate, Renting and R&D	437.1	-186.4	1298.0
Other Services	8482.5	3113.4	5793.4
T O T A L	66871.4	19970.0	32651.7

Table 3a: Stock of Foreign Direct Investment in Italy by Major Investors; Year End 2008-2010 (USD Millions) (1)

	2008	2009	2010
United States	9597	20505	17840
EU (3) of which:	266770	292601	256214
_Belgium	8523	14032	13080
_France	45828	54032	51030
_Germany	28138	29881	27495
_Luxembourg	82480	88009	72232
_Netherlands	64547	71246	46088
_Spain	13278	9648	12587
_Sweden	6258	5102	4075
_United Kingdom	17718	20652	19626
Liechtenstein	534	2725	192
Switzerland	17893	15321	13041
Canada	780	584	359
Japan	1968	2209	3437
Argentina	31	119	158
Brazil	308	463	536
Other	34914	28411	34261
T O T A L	332792	357300	326038

Table 3b: Stock of Foreign Direct Investment in Italy by Major Investors; Year End 2008-2010 (Percentage of Total)

	2008	2009	2010
United States	2.9	5.7	5.5
EU (3) of which:	80.2	81.9	78.6
_Belgium	2.6	3.9	4.0
_France	13.8	15.1	15.7
_Germany	8.5	8.4	8.4
_Luxembourg	24.8	24.6	22.2
_Netherlands	19.4	19.9	14.1
_Spain	4.0	2.7	3.9
_Sweden	1.9	1.4	1.2
_United Kingdom	5.3	5.8	9.1
Liechtenstein	0.2	0.8	0.1
Switzerland	5.4	4.3	4.0
Canada	0.2	0.2	0.1
Japan	0.6	0.6	1.1
Argentina	0.0	0.0	0.0
Brazil	0.1	0.1	0.2
Other	10.5	8.0	10.5
TOTAL	100.0	100.0	100.0

Table 4a: Stock Of Italian Direct Investment Abroad by Major Recipient; Year End 2008-2010 (USD Millions) (2)

	2008	2009	2010
United States	24986	28955	26774
EU of which:	266637	282175	271923
Belgium	7545	13485	13080
France	28256	33933	51030
Germany	51862	48624	27495
Luxembourg	15750	3098	72232
Netherlands	99742	99893	46088
Spain	46910	60632	12587
Sweden	1612	2263	4075
United Kingdom	16962	20248	19626
Liechtenstein	161	138	192
Switzerland	7097	11311	13041
Canada	1685	2019	2351
Japan	2973	-672	2864
Argentina	1367	1728	1524
Brazil	6477	7745	7092
Other	137589	150993	156341
T O T A L	448975	476866	478896

Table 4b: Stock of Italian Direct Investment Abroad by Major Recipient; Year End 2008-2010 (Percentage of Total)

	2008	2009	2010
United States	5.6	6.1	5.6
EU (3) of which:	59.4	59.0	56.8
Belgium	1.7	2.8	3.7
France	5.8	7.1	7.2
Germany	11.6	10.2	8.6
Luxembourg	3.5	0.6	2.4
Netherlands	22.2	20.9	21.4
Spain	10.4	12.7	9.4
Sweden	0.4	0.5	0.5
United Kingdom	3.8	4.2	3.6
Liechtenstein	0.0	0.0	0.1
Switzerland	1.6	2.4	4.0
Canada	0.4	0.4	0.5
Japan	0.7	-0.1	0.6
Argentina	0.3	0.4	0.3
Brazil	1.4	1.6	1.5
Other	30.6	31.7	32.6
TOTAL	100.0	100.0	100.0

Table 5a: U.S. Investment in Italy by Economic Sector End-Year 2008-2010 (USD Millions) (2)

	2008	2009	2010
Agriculture and Fishing	251	256	177
Mining	13	4	0
Manufacturing	3188	3676	2724
Electricity, water and gas	47	6	0
Constructions	44	0	154
Trade	1179	1447	1692
Transportation/ Communication	1220	9713	8202
Hotel and restaurant	1342	5	3
Banking/Insurance	1419	3909	3121
Real Estate, Renting and R&D	178	37	31
Other Services	716	1452	1736
T O T A L	9597	20505	17840

Table 5b: U.S. Investment in Italy by Economic Sector End-Year 2006-2009 (Percentage of Total)

	2008	2009	2010
Agriculture and Fishing	2.6	1.2	1.0
Mining	-.1	0.0	0.0
Manufacturing	33.2	17.9	15.3
Electricity, water and gas	0.5	0.0	0.0
Constructions	0.5	0.0	0.9
Trade	12.3	7.1	9.5
Transportation/ Communication	12.7	47.4	46.0
Hotel and restaurant	14.0	0.0	0.0
Banking/Insurance	14.8	19.1	17.5
Real Estate, Renting and R&D	1.9	0.2	0.2
Other Services	7.6	7.1	9.6
T O T A L	100.0	100.0	100.0

Table 6a: Italian Investment in the U.S. by Economic Sector -- End-Year 2008-2010 (USD Millions) (2)

	2008	2009	2010
Agriculture and Fishing	189	91	369
Mining	61	212	103
Manufacturing	4805	6568	7123
Electricity, water and gas	37	13	7
Constructions	196	386	82
Trade	1538	5784	2869
Transportation/ Communication	1669	4030	2593
Hotel and restaurant	168	352	311
Banking/Insurance	8554	6832	8590
Real Estate, Renting and R&D	657	1228	434
Other Services	5112	3459	4293
16.0			
T O T A L	24986	28955	26774

Table 6b: Italian Investment in the U.S. by Economic Sector -- End-Year 2008-2010  
(Percentage of Total)

	2008	2009	2010
Agriculture and Fishing	0.8	0.3	1.4
Mining	0.2	0.7	0.4
Manufacturing	19.2	22.7	26.6
Electricity, water and gas	0.1	0.0	0.0
Constructions	0.8	1.3	0.3
Trade	6.2	20.0	10.7
Transportation/ Communication	14.7	13.9	9.7
Hotel and restaurant	0.7	1.2	1.2
Banking/Insurance	34.2	23.6	32.1
Real Estate, Renting and R&D	2.6	4.2	1.6
Other Services	20.5	11.9	16.0
T O T A L	100.0	100.0	100.0

(1) Annual net investment flow data compiled by Embassy Economic Section, based on Bank of Italy data and converted at the following end-year exchange rates:

	2008	2009	2010
Euro/Dollar	0.684	0.707	0.755

Net = New Investment Less Disinvestment. The volatility and huge changes from year to year in some sections can be explained in part by the fact that listed data are "Net": New Investment Minus Disinvestment.

(2) Compiled by the Economic Section of the Embassy based on Bank of Italy data and converted at the following end year exchange rates:

	2008	2009	2010
Euro/Dollar	0.708	0.697	0.763

~~(3) Austria, Denmark, Finland, Portugal, Greece, Ireland, plus Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia (plus Bulgaria and Romania only for 2007).~~

Sources: Bank Of Italy [Annual Report 2009](#)

[http://www.bancaditalia.it/pubblicazioni/relann/rel09/rel09it/appendice/app09\\_12\\_bilancia\\_pagamenti.pdf](http://www.bancaditalia.it/pubblicazioni/relann/rel09/rel09it/appendice/app09_12_bilancia_pagamenti.pdf)

#### Web Resources

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## Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
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### How Do I Get Paid (Methods of Payment)

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U.S. firms most frequently provide the Italian buyer with a price quote that includes packing costs, insurance, and freight (CIF price). The average Italian business representative can then usually determine the charges for customs, taxes, and local transportation to arrive at the importer's final landed cost. The customary terms of sale in Italy are either cash or net. Sales made on cash terms call for payment before delivery, on delivery, or shortly after delivery -- usually within 10 days. A two to five percent discount is made for payment of the full amount of the transaction at the end of the specified period from one to four months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the motivation of the seller. A period of up to two years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Some U.S. suppliers have lost business because Italian firms believe their payment terms are too rigid. Exporters should regard financing as another competitive factor, on par with the product itself, the delivery date, or after-sales service. U.S. manufacturers will be more competitive by allowing accounts to be settled from 60 to 120 days following receipt of the order.

Although originally an Italian creation, the use of irrevocable letters of credit has declined appreciably in Italy in recent years. Because of the growing reluctance of Italian firms to pay high fees associated with letters of credit, U.S. exporters should explore other mechanisms to ensure payment from Italian customers of uncertain credit worthiness, or risk losing the sale. Alternatives include export credit insurance and guarantee programs available through the Foreign Credit Insurance Association (FCIA).

Just as sales offer terms should be clear and detailed, shipment terms should conform to contract specifications and should be consistent with any samples that were sent to the Italian importer. Agreed delivery schedules should be met, as prompt delivery may be a decisive consideration of the importer in placing additional orders. When shipping on letters of credit, all terms specified in the letter of credit must be strictly observed. If all the terms are not followed, the bank may not honor the letter of credit.

Italy has a well-developed banking and credit system with numerous correspondent U.S. banks. Italian banks are subject to close government supervision, and the Bank of Italy must authorize the establishment of any new bank.

U.S. firms seeking to finance major portions of their capital investment outside the United States may find capital available in the Eurodollar market. U.S. bank branches in Italy can assist in financing capital investment. There are almost 800 banks and over 34,000 branches performing commercial and other services throughout Italy. Currently, the country's largest banks are: Unicredit Group (established in 2007 by merger of Unicredit and Capitalia), Intesa San Paolo (established in 2007 by merger of Banca Intesa and Sanpaolo IMI), Monte dei Paschi di Siena, Banco Popolare, and UBI Banca. These banks are a principal source of credit information. Intesa Sanpaolo is the largest bank in Italy by market value and among the largest in Europe. Unicredit Group is the second largest bank in Italy and has multinational branches.

The banking sector has undergone significant consolidation since the mid-nineties, with about 60 percent of total Italian banking assets involved. Since 2006, the Italian Central Bank has publicly called for fragmented Italian banks to further consolidate and set aside their regional rivalries to prepare for international competition or face foreign takeovers. By the end of 2010, the number of banks decreased from 1000 to 760 through mergers, takeovers or asset transfers, liquidations or, the conversion of a bank into a financial company. This consolidation process, already the largest among European countries in terms of bank assets, is expected to continue over the next several years as the Italian banking sector becomes more competitive in the single European market.

Banks in Italy that have the authority to participate in foreign exchange usually have a U.S. correspondent. Foreign currency transfers and foreign exchange transactions must be channeled via authorized intermediaries (for example, the Bank of Italy or the Italian Foreign Exchange Office). Larger Italian banks usually have branches in one or more U.S. cities.

The Bank of Italy, Italy's central bank, follows euro notes issues, performs credit, financial and market supervision, and regulates bank mergers. The Italian Central Bank Governor's term is for six years in line with European Central Bank (ECB) standards, and the Governor is limited to two terms in office. Banking competition oversight responsibilities are divided between the Central Bank and Italy's anti-trust authority. CONSOB, Italy's security markets and company accounting regulator, holds authority to raid firms suspected of securities violations and to impound evidence.

A prohibition on non-bank companies (either Italian or foreign) acquiring more than 15 percent of a bank's capital was abolished by the legislature in late 2008, with the aim of implementing a new European directive. Firms have used complex cross-shareholding arrangements to fight off takeover attempts in the financial sector. Still, the presence of foreign intermediaries in the Italian market increased in the last several years. Several U.S. banks perform services in Italy, - through branches, subsidiaries, or representatives. Many U.S. banks provide their commercial customers with services such as bank reports on overseas buyers, assistance for letters of credit, and foreign exchange. Citigroup, JP Morgan Chase, and Bank of America, as well as numerous smaller, regional banks maintain offices in Italy.



## Foreign-Exchange Controls

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Italy has no restrictions on the amount of foreign exchange instruments, currency, or checks that may be brought into the country. Normally, 10,000 euros may be taken out of the country, but any amount declared upon entry may be re-exported.

Italian exchange regulations are issued by the Bank of Italy's Italian Exchange Office, Ufficio Italiano dei Cambi (UIC), Via Quattro Fontane 123, Rome 00184, Italy. Foreign currency may be sold or acquired from the Bank of Italy or any of the banks authorized by the Bank of Italy. In effect, all commercial banks are authorized to conduct foreign exchange transactions.

Dollar currency, travelers checks, and, in some cases, personal checks, may be exchanged at banks, exchange offices, authorized tourist offices, and hotels. Major credit cards are accepted with proper identification, and ATMs are ubiquitous.

## U.S. Banks and Local Correspondent Banks

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(A large number of Italian banks have correspondence relationships with U.S. banks. Below is a listing of Italian banks with branch offices in the U.S.)

### **Intesa Sanpaolo S.p.A.**

Piazza San Carlo, 156

10121 Torino

Tel.: +39-011-555-1

Web: [www.intesasanpaolo.com](http://www.intesasanpaolo.com)

### **CEO Americas Area**

#### **New York – Branch**

One William Street

New York NY 10004

Tel: (212) 6073500

Fax: (212) 809 2124

Gianluca Corrias, Manager

E-mail: [gianluca.corrias@intesasanpaolo.com](mailto:gianluca.corrias@intesasanpaolo.com)

#### **Los Angeles – Representative Office**

444 South Flower Street

23rd Floor Suite 2360

Los Angeles, CA 90071

Tel.: (213) 489 3100

Fax: (213) 622 2514

E-mail: [losangeles.repoffice@intesasanpaolo.com](mailto:losangeles.repoffice@intesasanpaolo.com)

Donald Brown, Director

E-mail: [donald.brown@intesasanpaolo.com](mailto:donald.brown@intesasanpaolo.com)

**International Network**

Piazza della Scala, 6  
20121 Milano  
Tel.: +39-02-87943059  
Fax.: +39-02-87942940  
Carlo Persico, Manager  
E-mail: [carlo.persico@intesasnapaolo.com](mailto:carlo.persico@intesasnapaolo.com)

**Unicredit Group S.p.A.**

Piazza Cordusio  
20121 Milano  
Tel.: +39-02-886-211  
Web: [www.unicreditgroup.eu](http://www.unicreditgroup.eu)

**New York – Branch**

150 East 42<sup>nd</sup> Street  
New York NY 10017  
Tel.: (212) 672 6000  
Fax.: (212) 546 9675  
Email: [newyorkbranch@unicreditgroup.eu](mailto:newyorkbranch@unicreditgroup.eu)

**HVB Corporates & Markets – New York Branch**

150 East 42<sup>nd</sup> Street  
New York NY 10017  
Tel.: (212) 672 6000  
Fax.: (212) 672 5555

**Pioneer Alternative Investments**

535 5<sup>th</sup> Avenue  
New York NY 10017  
[us.pioneerinvestments.com](http://us.pioneerinvestments.com)

**Pioneer Funds Distributor Inc.**

701 Brickell Avenue, Suite 3260  
Miami FL 33131-2847  
[us.pioneerinvestments.com](http://us.pioneerinvestments.com)

**Pioneer Investment Management Inc.**

60 State Street  
Boston MA 02109  
[us.pioneerinvestments.com](http://us.pioneerinvestments.com)

**Banca Nazionale del Lavoro BNL S.p.A.**

*(Incorporated in BNP Paribas in 2006)*  
Via Vittorio Veneto 119  
00187 Roma  
Tel.: +39-06-470-21  
Web: [www.bnl.it](http://www.bnl.it)

**Miami – Representative Office**

201 South Biscayne Blvd., Suite 1800  
Miami, FL 33131  
Tel.: (305) 539 2000  
Fax: (305) 539 1421

Also available: list of BNP Paribas Group branches in the United States:  
<http://www.bnpparibas.it/en/locations/agencies.asp>

**Banca Monte dei Paschi di Siena S.p.A.**

Piazza Salimbeni 3  
53100 Siena  
Tel.: +39-0577-294-111  
Web: [www.mps.it](http://www.mps.it)

**New York – Branch**

55 East 59th Street – 9th Floor  
10022 New York, NY  
Tel.: (212) 891 3600  
Fax: (212) 891 3661/3  
Renato Bassi, Direttore Titolare  
E-mail: [renato.bassi@banca.mps.it](mailto:renato.bassi@banca.mps.it)

**Project Financing**

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and infrastructure projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors. The EU supports projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds are distributed through the member states' national and regional authorities, and are only available for projects in the 27 EU member states. All grants for projects in non-EU countries are managed through the EuropeAid Cooperation agency in conjunction with various European Commission departments, called "Directorates-General."

***The CSEU Tenders Database***

The U.S. Commercial Service at the U.S. Mission to the European Union offers a tool on its website to help U.S.-based companies identify European public procurement opportunities. The database features all current public procurement tenders issued by all national and regional public authorities in the 27 member states of the European Union, plus four other European countries, and that are open to U.S.-based firms under the terms of the Government Procurement Agreement (GPA) implemented in 1995. The database is updated twice weekly and is easy to use with a range of search options, including approximately 20 industry sectors. The database also contains tenders for

public procurement contracts relating to structural funds. Readers may access the database at <http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>

### ***EU Structural Funds***

The EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. The EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs for the 2007-2013 period for the EU-27. In addition to funding economic development projects proposed by member states or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member states negotiate regional and "sectoral" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit: [http://ec.europa.eu/regional\\_policy/atlas2007/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/index_en.htm)

For projects financed through the Structural Funds, member state officials are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to meet with local officials to discuss local needs.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is advisable to team up with a local partner. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/marketresearch/index.asp>

### ***The Cohesion Fund***

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU member states from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector.

Key Link: [http://ec.europa.eu/regional\\_policy/thefunds/cohesion/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm)

### ***Other EU Grants for Member States***

Another set of sector-specific grants offers assistance to EU member states in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for

participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on:

[http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)

### **External Assistance Grants**

The EuropeAid Cooperation Office is the European Commission agency in charge of managing the EU's external aid programs. This agency is responsible for the management of the entire project cycle, from identification to evaluation, while the Directorates-General in charge of External Relations and Development, are responsible for the drafting of multi-annual programs. The EuropeAid website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation to calls for tender for contracts financed by EuropeAid is reserved for enterprises located in the EU member states and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. But consultants of U.S. nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link:

[http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)

All tenders related to EU-funded programs outside the territory of the European Union (including the accession countries) are located on the EuropeAid Cooperation Office website: [http://ec.europa.eu/europeaid/work/funding/index\\_en.htm](http://ec.europa.eu/europeaid/work/funding/index_en.htm)

Two sets of programs have been approved for the financing period 2007-2013., The EU provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA replaces the following programs: PHARE (Poland and Hungary Assistance for Restructuring of the Economy), ISPA (Instrument for Structural Pre-Accession financing transport and environment projects), SAPARD (projects in the agriculture sector), CARDS (aid to southern Balkans) and the Turkey Facility Fund. IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is €11.4 billion.

Key Links: [http://ec.europa.eu/enlargement/index\\_en.htm](http://ec.europa.eu/enlargement/index_en.htm)

[http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index\\_en.htm](http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index_en.htm)

ENPI: replaces the former TACIS and MEDA programs. The European Neighborhood Policy program covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt,

Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is €11.9 billion for 2007-2013.

[http://ec.europa.eu/world/enp/index\\_en.htm](http://ec.europa.eu/world/enp/index_en.htm)

### ***Loans from the European Investment Bank***

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2009, the EIB approved loans for projects worth EUR 103 billion, of which around 9 percent was approved for projects outside the EU. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB has created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: <http://www.eib.org/projects/pipeline/index.htm>

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

The U.S. Mission to the European Union in Brussels has developed a database to help U.S.-based companies bid on EIB public procurement contracts in non-EU countries. The EIB-financed contracts that are open to U.S.-based companies are featured in this database. All the tenders in this database are extracted from the EU's Official Journal. The EIB database contains on average 50 to 100 tenders and is updated twice per week.

Key Link:

<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>

### **Web Resources**

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EU websites: Future project proposals:

[http://ec.europa.eu/regional\\_policy/atlas2007/fiche\\_index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm).

The EU regional policies, the EU Structural and Cohesion Funds:  
[http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)

EU Grants and Loans index: [http://ec.europa.eu/grants/index\\_en.htm](http://ec.europa.eu/grants/index_en.htm)

EuropeAid Co-operation Office: [http://ec.europa.eu/europeaid/index\\_en.htm](http://ec.europa.eu/europeaid/index_en.htm)

IPA: [http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index\\_en.htm](http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index_en.htm)

The European Investment Bank: <http://www.eib.org>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

U.S. websites:

CSEU Tender Database:  
<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp>

Market research section on the website of the U.S. Mission to the EU:  
<http://export.gov/mrktresearch/index.asp>

European Union Tenders Database:  
<http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/c/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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## Chapter 8: Business Travel

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### Business Customs

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In general, what is considered good business practice in the United States also applies when doing business in Italy. Business people in Italy appreciate prompt replies to their inquiries and expect all correspondence to be acknowledged. Conservative business attire is recommended at all times. Business appointments are required, and visitors are expected to be punctual. The "golden keys" of customary business courtesy, especially replying promptly to requests for price quotations and orders, are a prerequisite for exporting success.

European business executives are usually more formal than their U.S. counterparts; therefore, it is best to refrain from using first names until a solid relationship has been formed. Italian business executives tend to use titles indicating their position in the firm. During the first stages of conducting business, it is best to let the prospective buyer take the lead since the U.S. approach of "getting down to business" may be considered abrupt. Avoid commenting on political events or making negative comments about the country. Some positive and sincere observations about the Italian culture, style, art, history, cuisine, or music are always appropriate. Friendship and mutual trust are highly valued, and, once an U.S. Exporter has established this relationship, a productive business association can usually be counted upon.

Italian buyers appreciate style, quality, and service, but are also interested in delivered price. Care must be taken to assure that stated delivery dates are maintained and that after-sales service is promptly honored. Italians, and Europeans in general, expect that, after placing an order with a supplier, the delivery date be honored. While numerous factors may interfere with prompt shipment, the U.S. exporter must allow for additional shipping time and keep in close contact with the buyer. Meeting delivery schedules is of prime importance. It is much better to quote a later delivery date that can be guaranteed than promise an earlier delivery that is not completely certain.



## Travel Advisory

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Italy has a moderate rate of violent crime, some of which is directed toward tourists, principally for motives of theft. Petty crime (pick-pocketing, theft from parked cars, purse snatching) is a significant problem, especially in large cities. Most reported thefts occur at crowded tourist sites, on public buses, or at the major railway stations, including Rome's Termini, Milan's Centrale, Florence's Santa Maria Novella, and in Naples. More detailed information on travel to Italy is available from the following Department of State website: [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1146.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1146.html)

## Visa Requirements

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Every U.S. traveler must have a valid passport. No visa is required of U.S. citizens travelling to Italy for tourism or general business for less than 90 days. A visa is required for longer stays. Under Italian law, tourists who plan to stay more than eight business days have to notify their presence at the local police station (called 'Commissariato') through a simple form, called 'Dichiarazione di Presenza'. All non-residents are required to complete this form. Tourists arriving from a non-Schengen-country (e.g. the United States) should obtain a stamp in their passport at the airport on the day of arrival. This stamp is considered the equivalent of the declaration of presence. Tourists arriving from a Schengen-country (e.g. France) must request the declaration of presence form from a local police office (commissariato di zona), police headquarters (questura) or their place of stay (e.g. hotel, hostel, campgrounds) and submit the form to the police or to their place of stay within eight business days of arrival. Most hotels will take care of this process upon check in. It is important that applicants keep a copy of the receipt issued by the Italian authorities. Additional information may be obtained from the Italian immigration website at [http://www.esteri.it/visti/home\\_eng.asp](http://www.esteri.it/visti/home_eng.asp).

U.S. citizens planning to work in the country must first obtain a work visa in the U.S. from the Italian Embassy or an Italian Consulate. The Italian employer must first obtain approval for a work permit. This permit is usually granted only for specialized work or skills. The Italian employer files an application at a Provincial Labor Office. If clearance is granted, the prospective employer is further required to obtain a work permit with the approval of the regional and central authorities. The permit is then sent to the worker so that he or she may apply for the entry visa. There are Italian consular offices in all of the largest U.S. cities. The application process should be initiated at least three to four months before the visa will be needed. In some of the larger cities such as Rome and Milan, there is a long backlog in the processing of work permits, so it is advisable to apply well in advance if at all possible.

A person seeking to work in Italy in an independent or self-employed capacity files an application directly with the Italian Embassy or Consulate along with needed credentials demonstrating experience in the field of work.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy Rome Visa Information: <http://italy.usembassy.gov/visa.html>

**For further information** concerning entry requirements for Italy, travelers can consult the Italian Embassy website at <http://www.italyemb.org>, contact the Consular Section of the Embassy of Italy at 3000 Whitehaven Street, NW, Washington, DC 20008, telephone: (202) 612-4400 or 612-4405, or fax 518-2154, or the nearest Italian Consulate General in Boston, Chicago, Detroit, Houston, Los Angeles, Miami, Newark, New York, Philadelphia, or San Francisco.

#### Telecommunications

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As in many Western European countries, Italy's telephone dialing procedures have changed and the city code has become part of each telephone number. An example of a local call within Rome would be: 06-46741 (06 is the city code). Incoming long distance calls to Italy also require that the "0" in the city code be included when dialing. An example of an incoming long distance call from the U.S. to Rome is as follows: +39-06-46741 (39 being the country code, 06 the city code for Rome). Milan's city code is 02. Italians are avid users of cellular phones and will generally provide their cellular telephone number. When dialing to cellular phones, please note that no city code is used. Also, the "0" has been dropped from the prefix of all cellular phone numbers. An example of an incoming call from the U.S. to a cellular phone is as follows: +39-328-6187041 (39 being the country code, 328 a sample cellular prefix).

For Internet access, there is an abundance of Internet stations and cafes. This is due to the relatively sparse ownership of personal computers in Italy. Many of these stations cater to tourists and also provide easy access to international calling.

#### Transportation

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Rental automobiles are available at numerous locations. A valid state driving license is acceptable, accompanied by an international license (which serves as a translation only).

#### Language

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Italian is the official language and is spoken in all parts of Italy, although some minority groups in the Alto Adige and Aosta regions speak German and French, respectively. Correspondence with Italian firms, especially for an initial contact, should be in Italian. If a reply comes in English then the subsequent correspondence with the Italian firm can be in English. The use of Italian is not only regarded as a courtesy, but assures prompt attention, and prevents inaccuracies that might arise in translation. Most large commercial firms are able to correspond in various languages in addition to English and Italian, but a business overture or proposal is given more serious attention if written in Italian.

The importance of having trade literature, catalogs, and instructions printed in Italian cannot be overemphasized. The agent representative in Italy who has such material is in a far better competitive position than the one who can only show literature in English to prospective customers and consumers.

## Health

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Medical services are good and medical standards compare with those in the United States. Common medical needs are readily obtained, and special supplies are normally available on short notice, including most pharmaceuticals. An international certificate of vaccination is not required for travelers from the United States. Drinking water is generally acceptable, although in the Naples area the use of bottled water is recommended. Sanitation is at U.S. standards.

## Local Time, Business Hours, and Holidays

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### Local Time

The time zone for Italy is 6 hours ahead of U.S. Eastern Standard Time.

### Business Hours

The usual Italian business hours are from 8 or 9 A.M. to Noon or 1 P.M. and from 3 to 6 or 7 P.M., Monday through Friday. Working hours for the various ministries of the government are normally from 8 A.M. to 2 P.M. without intermission. Bank hours are from 8:30 A.M. to 1:30 P.M. and 3:00-4:00 P.M.; they are closed on Saturdays and Sundays. Retail establishments are closed on Sundays although exceptions exist, primarily in tourist areas. In recent years, Italy has enacted legislation providing flexibility in retail store operating.

### Holidays

Italian holidays must be taken into account when planning a business itinerary. July and August are not good months for conducting business in Italy since most business firms are closed for vacation during this period. The same is true during the Christmas and New Year period. Italian commercial holidays are listed below and are when most commercial offices and banks are closed. Certain other days are celebrated as holidays within local jurisdictions. Italian holidays are also observed by the U.S. Embassy and Consulates and should be considered when telephoning or visiting the U.S. and Foreign Commercial Service offices. When an Italian holiday falls on a Saturday, offices and stores are closed.

#### Listed below are Italian holidays (I) for 2012;

[U.S. holidays (A) observed by the U.S. Embassy are also indicated]:

January 1, Sunday*	New Year's Day (A&I)
January 6, Friday	Epiphany (I)
January 16, (3 <sup>rd</sup> Monday)	Martin Luther King's Birthday (A)

February 20, (3 <sup>rd</sup> Monday)	President's Day (A)
April 9, Monday	Easter Monday (I)
April 25, Wednesday	Anniversary of Liberation (I)
May 1, Tuesday	Labor Day (I)
May 28, Last Monday	Memorial Day (A)
June 2, Saturday**	Foundation of the Italian Republic (I)
July 4, Wednesday	Independence Day (A)
August 15, Wednesday	Assumption Day (I)
September 3, First Monday	Labor Day (A)
October 8, Second Monday	Columbus Day (A)
November 1, Thursday	All Saints' Day (I)
November 11, Sunday*	Veterans' Day (A)
November 22, Fourth Thursday	Thanksgiving Day (A)
December 8, Saturday**	Feast of the Immaculate Conception (I)
December 25, Tuesday	Christmas Day (A&I)
December 26, Wednesday	St. Stephen's Day (I)

**Note:** When an authorized U.S. holiday falls on a Sunday, offices are closed the following Monday. When an U.S. holiday falls on a Saturday, offices are closed the preceding Friday. This practice is not followed in the case of the Italian holidays.

\* Holiday Monday

\*\* No other day off

**Patron Saint Days** are observed as holidays by the following major cities:

Milan:	December 7, 2012, Friday	St. Ambrogio's Day
Florence:	June 24, 2012, Sunday**	St. John's Day
Rome:	June 29, 2012, Friday	St. Peter and St. Paul's Day
Naples:	Sept. 19, 2012, Wednesday	St. Gennaro's Day

## Temporary Entry of Materials and Personal Belongings

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Italy participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry with exemption from custom charges. However, a bond or cash deposit may be required as security that the goods will be removed from the country. This security is the duty and tax normally levied plus ten percent. Samples may remain in the country for up to one year. They may not be sold, put to their normal use (except for demonstration purposes), or utilized in any manner for remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

## Carnets

As a result of various customs agreements, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates clearance for temporary imports of samples or equipment. With a carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also usually saves time since formalities are all arranged before leaving the United States. A carnet is usually valid for one year from the date of issuance. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is required, in addition to the price of the carnet. This will be forfeited in the event the products are not re-exported and duties and taxes are not paid.

Carnets are sold in the United States by the U.S. Council for International Business at the following locations: 1212 Avenue of the Americas, New York, NY 10036, (212) 354-4480; or 1400 K Street NW, Suite 905, Washington, DC 20005, (202) 371-1316, email at [info@uscib.org](mailto:info@uscib.org)

Business travelers to Italy seeking appointments with U.S. Embassy Rome officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at +39-06-4674-2382; fax at +39-06-4674-2113; or e-mail at [Rome.Office.Box@mail.doc.gov](mailto:Rome.Office.Box@mail.doc.gov)

## Web Resources

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Bureau of Consular Affairs' homepage:

<http://travel.state.gov/>

State Department Visa Website:

[http://travel.state.gov/visa/visa\\_1750.html](http://travel.state.gov/visa/visa_1750.html)

State Department information site:

<http://www.state.gov/>

United States Visas:

[http://travel.state.gov/visa/visa\\_1750.html](http://travel.state.gov/visa/visa_1750.html)

U.S. Embassy website:

<http://italy.usembassy.gov/visa.html>

Italian Embassy website:

[www.ambwashingtondc.esteri.it](http://www.ambwashingtondc.esteri.it)

Italian Culture, Customs and Etiquette:

<http://www.kwintessential.co.uk/resources/global-etiquette/italy-country-profile.html>

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## Chapter 9: Contacts, Market Research, and Trade Events

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### Contacts

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#### Italy – Contacts

**U.S. Commercial Service Web Site:** [www.export.gov/italy/](http://www.export.gov/italy/)

#### Commercial Service Contacts in U.S. Embassy Rome

Carmine D'Aloisio, Minister Counselor for Commercial Affairs  
U.S. Embassy  
Via V. Veneto, 119/A, 00187 Rome, Italy  
Tel.: +39-06-4674-2202  
Fax: +39-06-4674-2315  
[carmine.daloisio@trade.gov](mailto:carmine.daloisio@trade.gov)

Patricia Wagner, Counselor for Commercial Affairs  
U.S. Embassy  
Via V. Veneto, 119/A, 00187 Rome, Italy  
Tel.: +39-06-4674-2820  
Fax: +39-06-4674-2113  
[patricia.wagner@trade.gov](mailto:patricia.wagner@trade.gov)

#### Commercial Service Contacts at U.S. Consulates in Italy

Michael Richardson, Principal Commercial Officer  
U.S. Consulate Milan  
Via Principe Amedeo 2/10  
20121 Milan, Italy  
Tel.: +39-02-626-8851  
Fax: +39-02-659-6561  
Email: [Michael.Richardson@trade.gov](mailto:Michael.Richardson@trade.gov)

Joshua Lawrence, Economic and Commercial Specialist  
U.S. Consulate General  
Piazza della Repubblica  
80122 Naples, Italy  
Ph: +39 081 5838206;  
E-mail: [lawrencejj@state.gov](mailto:lawrencejj@state.gov)

**Embassy Web Site:** <http://italy.usembassy.gov>

#### Contacts for the Foreign Agricultural Service in U.S. Embassy Rome

Website: <http://italy.usembassy.gov/agtrade.html>

James R. Dever, Counselor for Agricultural Affairs  
U.S. Embassy  
Via Veneto 119A  
00187 Rome, Italy  
Tel.: +39-06-4674-2617  
Fax: +39-06-4788-7008  
Email: [James.Dever@fas.usda.gov](mailto:James.Dever@fas.usda.gov) (through summer 2012)

Christine Sloop, Agricultural Attaché  
U.S. Embassy  
Via Veneto 119A  
00187 Rome, Italy  
Tel.: +39-06-4674-2617  
Fax: +39-06-4788-7008  
Email: [Christine.Sloop@fas.usda.gov](mailto:Christine.Sloop@fas.usda.gov) (from summer 2012)

Dana Biasetti, Senior Agricultural Specialist  
U.S. Embassy  
Via Veneto 119A  
00187 Roma, Italy  
Tel.: +39-06-4674-2396  
Fax: +39-06-4788-7008  
Email: [Dana.Biasetti@fas.usda.gov](mailto:Dana.Biasetti@fas.usda.gov)

#### **Contacts in the Economic Section in U.S. Embassy Rome**

John L. Carwile  
Minister Counselor for Economic Affairs  
U.S. Embassy  
Via Vittorio Veneto 119/A  
00187 Rome, Italy  
Tel.: +39-06-4674-2107  
Fax: +39-06-4674-2398  
Email: [carwilejl@state.gov](mailto:carwilejl@state.gov)

#### **AMERICAN CHAMBER OF COMMERCE IN ITALY**

##### **AMERICAN CHAMBER OF COMMERCE IN ITALY**

**American Chamber of Commerce in Italy**  
Vittorio Terzi, President  
Via Cesare Cantù, 1  
20123 Milano  
Tel.: +39-02-872-12103 / 869-0661  
Fax: +39-02-392-96752  
Email: [amcham@amcham.it](mailto:amcham@amcham.it)  
Web: [www.amcham.it](http://www.amcham.it)

#### **ITALIAN GOVERNMENT AGENCIES**

**Banca d'Italia (Bank of Italy)**

Credit Institutions Supervision Service  
Via Nazionale, 91  
00184 Roma  
Tel.: +39-06-47921  
Web: [www.bancaditalia.it](http://www.bancaditalia.it)

**CONSOB - Commissione Nazionale per le Società e la Borsa**

Securities Regulatory Agency  
Via Giovanni Battista Martini, 3  
00198 Roma  
Tel.: +39-06-847-71  
Fax: +39-06-841-6703 / 7707  
Email: [consob@consob.it](mailto:consob@consob.it)  
Web: [www.consob.it](http://www.consob.it)

**The Italian Embassy**

Commercial Section  
3000 Whitehaven Street, N.W.  
Washington, D.C., 20008  
Tel.: (202) 612-4404/5/6  
Fax: (202) 518-2154  
Web: [www.ambwashingtondc.esteri.it](http://www.ambwashingtondc.esteri.it)

**Agenzia Nazionale del Turismo (ENIT)**

The Italian Government Tourist Board  
630 Fifth Avenue - Suite 1965  
New York, NY 10111  
Tel.: (212) 245-5618  
Fax: (212) 586-9249  
Email: [newyork@enit.it](mailto:newyork@enit.it)  
Web: [www.enit.it/](http://www.enit.it/)

**Agenzia per la promozione all'estero e l'internazionalizzazione delle imprese italiane (ICE)**

The Italian Institute for Foreign Trade, also known as Italian Trade Commission  
Viale Liszt 21  
00144 Roma  
Tel.: +39-06-5992-1  
Fax: +39-06-5929-9743  
Email: [ice@ice.it](mailto:ice@ice.it)  
Web: [www.italtrade.com](http://www.italtrade.com) / [www.ice.gov.it/](http://www.ice.gov.it/)

Offices are located in the following U.S. cities: New York, Atlanta, Chicago, Los Angeles and Miami.

For further information please refer to the following website:

<http://www.italtrade.com/countries/americas/usa/index.htm>

**ITALIAN TRADE ASSOCIATIONS****GENERAL/INDUSTRIAL:**

**ABI** - Associazione Bancaria Italiana  
(Italian Banking Association)  
Piazza del Gesù, 49 (Palazzo Altieri)  
00186 Roma  
Tel.: +39-06-67671

Fax: +39-06-6767-457  
Email: [abi@abi.it](mailto:abi@abi.it)  
Web: [www.abi.it](http://www.abi.it)



**AIAD** – Associazione Industrie per l'Aerospazio, i Sistemi e la Difesa (Italian Association of Aerospace and Defense Industries)  
Via Nazionale, 54  
00184 Roma  
Tel: +39-06-488-0247  
Fax: +39-06-482-7476  
Email: [aiad@aiad.it](mailto:aiad@aiad.it)  
Web: [www.aiad.it](http://www.aiad.it)

**AIDDA** - Associazione Imprenditrici e Donne Dirigenti d'Azienda (Italian Association of Women Entrepreneurs and Business Executives)  
Via degli Scialoja, 18  
00196 Roma  
Tel.: +39-06-3230-578  
Fax: +39-06-3230-562  
Email: [aidda@aidda.org](mailto:aidda@aidda.org)  
Web: [www.aidda.org](http://www.aidda.org)

**ANCE** - Associazione Nazionale Costruttori Edili (Italian Association of Building Contractors)  
Via Giuseppe Antonio Guattani, 16  
00161 Roma  
Tel.: +39-06-845-671  
Fax: +39-06-845-67-550/555  
Email: [info@ance.it](mailto:info@ance.it)  
Web: [www.ance.it](http://www.ance.it)

**ANFIA** - Associazione Nazionale fra Industrie Automobilistiche (Italian Automotive Industry Association)  
Corso Galileo Ferraris, 61  
10128 Torino  
Tel.: +39-011-55-46-511  
Fax: +39-011-54-59-86  
Email: [anfia@anfia.it](mailto:anfia@anfia.it)  
Web: [www.anfia.it](http://www.anfia.it)

**ANIA** - Associazione Nazionale fra le Imprese Assicuratrici (Italian Association of Insurance Companies)  
Via della Frezza, 70  
00186 Roma  
Tel.: +39-06-326-881  
Fax: +39-06-322-7135  
Email: [info@ania.it](mailto:info@ania.it)  
Web: [www.ania.it](http://www.ania.it)

**ANIE** – Associazione Nazionale Imprese Elettroniche ed Elettriche (Italian Association of Electrical and Electronic Industries)

Viale Lancetti, 43  
20158 Milano  
Tel: +39-02-326-41  
Fax: +39-02-326-4212  
Email: [info@anie.it](mailto:info@anie.it)  
Web: [www.anie.it](http://www.anie.it)

**ASSINFORM** – Associazione Nazionale Produttori Tecnologie e Servizi per l'Informazione e la Comunicazione (Italian Association of Office Machine Industries)  
Via G. Sacchi, 7  
20121 Milano  
Tel: +39-02-0063-28-01  
Fax: +39-02-0063-28-24  
Email: [segreteria@assinform.it](mailto:segreteria@assinform.it)  
Web: [www.assinform.it](http://www.assinform.it)

**ASSOFRANCHISING** – Associazione Italiana del Franchising (Italian Franchising Association)  
Via Melchiorre Gioia, 70  
20125 Milano  
Tel.: +39-02-2900-3779/ 02-3656-9461  
Fax: +39-02-655-5919  
Email: [assofranchising@assofranchising.it](mailto:assofranchising@assofranchising.it)  
Web: [www.assofranchising.it](http://www.assofranchising.it)

**CONFAGRICOLTURA** - Confederazione Generale dell'Agricoltura Italiana (General Confederation of Italian Agriculture)  
Corso Vittorio Emanuele II, 101  
00186 Roma  
Tel.: +39-06-685-21  
Fax: +39-06-686-1726  
Email: [info@confagricoltura.it](mailto:info@confagricoltura.it)  
Web: [www.confagricoltura.it](http://www.confagricoltura.it)

**CONFAPI** - Confederazione Italiana della Piccola e Media Industria (Italian Confederation of Small and Medium Industries)  
Via del Plebiscito, 112  
00186 Roma  
Tel.: +39-06-690-151  
Fax: +39-06-679-1488  
Email: [mail@confapi.org](mailto:mail@confapi.org)  
Web: [www.confapi.org](http://www.confapi.org)

**CONFARTIGIANATO** - Confederazione Generale Italiana dell'Artigianato (Italian General Confederation of Craft)  
Via di San Giovanni in Laterano, 152  
00184 Roma  
Tel.: +39-06-703-741

Fax: +39-06-7045-2188  
Email: [confartigianato@confartigianato.it](mailto:confartigianato@confartigianato.it)  
Web: [www.confartigianato.it](http://www.confartigianato.it)

**CONFCOMMERCIO** - Confederazione Generale Italiana del Commercio, del Turismo, dei Servizi e delle P.M.I.  
(Italian General Confederation of Trade, Tourism, Services, and Small and Medium Enterprises)  
Piazza G.G. Belli, 2  
00153 Roma  
Tel.: +39-06-586-61  
Fax: +39-06-580-9425  
Email: [confcommercio@confcommercio.it](mailto:confcommercio@confcommercio.it)  
Web: [www.confcommercio.it](http://www.confcommercio.it)

**CONFETRA** – Confederazione Generale del Traffico e dei Trasporti  
(Italian General Confederation of Transport Enterprises)  
Via Panama, 62  
00198 Roma  
Tel: +39-06-855-9151  
Fax: +39-06-841-5576  
Email: [confetra@confetra.com](mailto:confetra@confetra.com)  
Web: [www.confetra.it](http://www.confetra.it)

**CONFINDUSTRIA** - Confederazione Generale dell'Industria Italiana  
(The Confederation of Italian Industry is a principal trade association in Italy acting as an umbrella organization covering numerous industry trade associations)  
Giampaolo Galli, General Director  
Viale dell'Astronomia, 30  
00144 Roma  
Tel.: +39-06-59-031  
Fax: +39-06-59-19615  
Email: [confindustria@confindustria.it](mailto:confindustria@confindustria.it)  
Web: [www.confindustria.it](http://www.confindustria.it)

**FARMINDUSTRIA** – Associazione Nazionale dell'Industria Farmaceutica  
(Italian National Association of Pharmaceutical Industries)  
Largo del Nazareno, 3/8  
00187 Roma  
Tel: +39-06-675-801  
Fax: +39-06-678-6494  
Email: [farmindustria@farmindustria.it](mailto:farmindustria@farmindustria.it)  
Web: [www.farmindustria.it](http://www.farmindustria.it)

**FEDERACCIAI** – Federazione Imprese Siderurgiche Italiane  
(Italian Federation of Steel Industries)

Viale Sarca, 336  
20126 Milano  
Tel: +39-02-661-461  
Fax: +39-02-661-46219  
Email: [milano@federacciai.it](mailto:milano@federacciai.it)  
Web: [www.federacciai.it](http://www.federacciai.it)

**FEDERAZIONE GOMMA PLASTICA** –  
Unione Nazionale Industrie Trasformatori Materie Plastiche  
(Italian Union of Plastic Industries)  
Via San Vittore, 36  
20123 Milano  
Tel: +39-02-439-281  
Fax: +39-02-435-432  
Email: [info@federazionegommaplastica.it](mailto:info@federazionegommaplastica.it)  
Web: [www.federazionegommaplastica.it](http://www.federazionegommaplastica.it)

**FEDERCHIMICA** – Federazione Nazionale dell'Industria Chimica  
(Italian Federation of Chemical Industries)  
Via Giovanni da Procida, 11  
20149 Milano  
Tel: +39-02-345-651  
Fax: +39-02-345-65310  
Email: [federchimica@federchimica.it](mailto:federchimica@federchimica.it)  
Web: [www.federchimica.it](http://www.federchimica.it)

**FEDERLEGNO** – Federazione Italiana delle Industrie del Legno, del Sughero, del Mobile e dell'Arredamento  
(Italian Federation of Wood Product Industries)  
Foro Bonaparte, 65  
20121 Milano  
Tel: +39-02-806041  
Fax: +39-02-80604392  
E-mail: [web@federlegno.it](mailto:web@federlegno.it)  
Web: [www.federlegnoarredo.it](http://www.federlegnoarredo.it)

**UCINA** - Unione Nazionale Cantieri e Industrie Nautiche ed Affini (Italian National Union of Shipyards, Nautical Industries and Related Sectors)  
Piazzale J. F. Kennedy, 1  
16129 Genova  
Tel.: +39-010-576-9811  
Fax: +39-010-553-1104  
Email: [ucina@ucina.it](mailto:ucina@ucina.it)  
Web: [www.ucina.net](http://www.ucina.net)

**UNIONCAMERE** - Unione Italiana delle Camere di Commercio Industria Agricoltura e Artigianato

Field Code Changed

(Italian Union of the Chambers of Commerce, Industry, Handicraft and Agriculture)  
(Umbrella organization responsible for all chambers of commerce in Italy)  
Piazza Sallustio, 21  
00187 Roma  
Tel.: +39-06-470-41

Fax: +39-06-470-4240  
Email: [segreteria.generale@unioncamere.it](mailto:segreteria.generale@unioncamere.it)  
Web: [www.unioncamere.gov.it](http://www.unioncamere.gov.it)

#### AGRICULTURAL:

##### FEDECOMLEGNO

(Wood Trade Federation)  
Via Toscana, 10  
00187 Roma  
Tel.: +39-06-4200-681  
Fax: +39-06-4281-7391  
Email: [fedecomlegno@federlegno.it](mailto:fedecomlegno@federlegno.it)  
Web: [www.federlegnoarredo.it](http://www.federlegnoarredo.it)

##### FEDERAGROALIMENTARE

La Federazione Nazionale delle Cooperative Agricole ed Agroalimentari  
Via Torino, 146  
00184 Roma  
Tel.: +39-06-4697-81  
Fax: +39-06-4881-469  
Email: [fedagri@confcooperative.it](mailto:fedagri@confcooperative.it)  
Web: [www.fedagri.confcooperative.it](http://www.fedagri.confcooperative.it)

#### ITALIAN MARKET RESEARCH FIRMS:

##### ACNielsen Italia S.p.a.

Via Giuseppe di Vittorio, 10  
20094 Corsico (MI)  
Tel.: +39-02-451-971  
Fax: +39-02-458-66235  
Email: [nielsenitaly.news@nielsen.com](mailto:nielsenitaly.news@nielsen.com)  
Web: [www.acnielsen.it](http://www.acnielsen.it) / [www.it.nielsen.com](http://www.it.nielsen.com)

Email: [info@demoskopaea.it](mailto:info@demoskopaea.it)  
Web: [www.demoskopaea.it](http://www.demoskopaea.it)

##### C.R.A. (Customized Research & Analysis)

Via Montecuccoli, 32  
20147 Milano  
Tel. +39-02-414-921  
Fax. +39-02-412-71623  
Email: [info@cra-research.com](mailto:info@cra-research.com)  
Web: [www.cra-research.com](http://www.cra-research.com)

##### Inter@ctive Market Research

Via Scarlatti, 150  
80127 Napoli  
Tel. +39-081-229-2473  
Fax: +39-081-229-2463  
Email: [info@interactive-mr.com](mailto:info@interactive-mr.com)  
Web: [www.imrgroup.com](http://www.imrgroup.com)

##### M&T Marketing & Trade S.r.l.

Corso di Porta Ticinese, 60  
20123 Milano  
Tel.: +39-02-894-02219  
Fax: +39-02-581-01117  
Email: [segreteria@marketingtrade.it](mailto:segreteria@marketingtrade.it)  
Web: [www.marketingtrade.it](http://www.marketingtrade.it)

##### Databank S.p.A.

Via San Vigilio, 1  
20142 Milano  
Tel.: +39-02-77-54-811  
Fax: +39-02-76-26-1646  
Email: [databank@cervedgroup.com](mailto:databank@cervedgroup.com)  
Web: [www.databank.it](http://www.databank.it)

##### Pragma S.r.l.

Via Nizza, 152  
00198 Roma  
Tel: +39-06-844-881  
Fax: +39-06-844-88298  
Email: [pragma@pragma-research.it](mailto:pragma@pragma-research.it)  
Web: [www.pragma-research.it](http://www.pragma-research.it)

##### Demoskopaea S.p.a

Via Porlezza, 16  
20123 Milano  
Tel.: +39-02-721-451  
Fax. +39-02-864-555-59

Field Code Changed

Field Code Changed

**Intesa Sanpaolo S.p.A.**

Piazza San Carlo, 156

10121 Torino

Tel.: +39-011-555-1

Fax: +39-011-555-2

Email: [info@intesasnp.com](mailto:info@intesasnp.com)

Web: [www.intesasanpaolo.com](http://www.intesasanpaolo.com)

**Field Code Changed**

*(Established in May 2007 with merger of Unicredito Italiano S.p.A. and Capitalia S.p.A.)*

*Capitalia S.p.A. was established in 2002 with merger of Banca di Roma, Bibop-Carire and Banco di Sicilia)*

Piazza Cordusio

20123 Milano

Tel.: +39- 02-88-621

Email: [info@unicredit.eu](mailto:info@unicredit.eu)

Web: [www.unicreditgroup.eu](http://www.unicreditgroup.eu)

**Field Code Changed**

(Incorporated in BNP Paribas in 2006)

Via Vittorio Veneto, 119

00187 Roma

Tel.: +39-06-470-21

Fax: +39-470-20466

Email: [redazionebni@bniemail.com](mailto:redazionebni@bniemail.com)

Web: [www.bnl.it](http://www.bnl.it)

**Field Code Changed**

Piazza Salimbeni, 3

53100 Siena

Tel.: +39-0577-294-111

Email: [info@banca.mps.it](mailto:info@banca.mps.it)

Web: [www.mps.it](http://www.mps.it)

**Field Code Changed**

For a complete list of **U.S. Export Assistance Centers** throughout the United States please consult:  
<http://export.gov/>

<http://www.export.gov/>

E-mail inquiries: [tic@ita.doc.gov](mailto:tic@ita.doc.gov)

(including requests for country duty and tax information)

**U.S. Department of Commerce**

## Trade Information Center

Tel.: 1-800-USA-TRADE

**U.S. Department of Commerce**

**Market Access & Compliance Office**

Donald Calvert

Italy Desk Officer  
Room H-3042  
14th Street and Constitution Ave, NW  
Washington, DC 20230  
Tel.: (202) 482-9128  
Fax: (202) 482-2897  
Email: [Donald.calvert@trade.gov](mailto:Donald.calvert@trade.gov)  
Web: <http://trade.gov/mac/>

**U.S. Department of Agriculture  
Foreign Agricultural Service**  
1400 Independence Ave. S.W.  
Washington, DC 20250  
Trade assistance and promotion office:  
Tel.: (202) 720-7420  
Web: [www.usda.gov](http://www.usda.gov)

**Overseas Private Investment  
Corporation**  
1100 New York Avenue, NW  
Washington, DC 20527  
Tel.: (202) 336-8400  
Fax: (202) 336-7949  
Email: [info@opic.gov](mailto:info@opic.gov)  
Web: [www.opic.gov](http://www.opic.gov)

## AGRICULTURAL CONTACTS BY INDUSTRY

For the U.S.-based multipliers listed below when dialing from Italy, the country code **001** is to be dialed before dialing the listed phone number. Also, the European Based Multipliers whose listed offices are listed below must be reached by dialing **011** before the telephone numbers as needed.

### Ag Export Councils

**National Association of State  
Departments of Agriculture (NASDA)**  
Stephen Haterius, Executive Director  
Dewitt Ashby, Director, Trade Shows  
1156 15th Street, N.W.  
Suite 1020  
Washington, DC 20005-1704  
Tel.: (202) 296-9680  
Fax: (202) 296-9686  
Email: [dewitt@nasda.org](mailto:dewitt@nasda.org)  
Web: [www.nasda.org](http://www.nasda.org)

## U.S. - BASED MULTIPLIERS RELEVANT FOR ITALY

### National Italian American Foundation (NIAF)

(NIAF conducts cultural and educational events, sponsors exchange programs, works to enhance cultural, political, and economic relations between the United States and Italy and serves as an advocacy group)  
1860 19<sup>th</sup> Street, NW  
Washington, DC 20009  
Tel.: (202) 387-0600  
Fax: (202) 387-0800  
Web: [www.niaf.org](http://www.niaf.org)

### Delegation of the European Commission to the United States

2175 K Street, NW  
Washington, DC 20037  
Tel.: (202) 862-9500  
Fax: (202) 429-1766  
Web: [www.eurunion.org](http://www.eurunion.org)

### Forest and Fishery Products

#### American Hardwood Export Council

1111 19th Street, N.W., Suite 800  
Washington, DC 20036  
Michael Snow, Executive Director  
Tel.: (202) 463-2720  
Fax: (202) 463-2787  
Email: [msnow@ahec.org](mailto:msnow@ahec.org)  
Web: <http://www.ahec.org/>

#### Softwood Export Council

PO Box 80517 Portland, Oregon 97280  
6980 SW Varns Street, Tigard  
Oregon 97223  
Craig Larsen, President  
Tel.: (503) 620-5946  
Fax: (503) 684-8928  
Email: [hande@softwood.org](mailto:hande@softwood.org)  
Web: <http://www.softwood.org/>

**Grain and Feed****The Pet Food Institute**

2025 M Street, N.W.  
Suite 800  
Washington, DC 20036  
Kurt Gallagher, Administrator  
Tel.: (202) 367-1120  
Fax: (202) 367-2120  
Email: [info@petfoodinstitute.org](mailto:info@petfoodinstitute.org)  
Web: [www.petfoodinstitute.org](http://www.petfoodinstitute.org)

**Horticultural and Tropical Products  
California Ag Export Council**

915 L Street, #C 409  
Sacramento, CA 95814  
Frederick W. Klose, Executive Director  
Tel.: (916) 863-0311  
Fax: (916) 863-0304  
Fred Klose, Manager  
Email: [info@caec.net](mailto:info@caec.net)  
Web: [www.caec.net](http://www.caec.net)

**Organic Trade Association**

28 Vernon St.  
Suite 413, Brattleboro VT 05301  
United States  
Tel: 802-275-3800  
Fax: 802-275-3801  
Email: [info@ota.com](mailto:info@ota.com)  
Web: [www.ota.com](http://www.ota.com)

**EU – Contacts****United States Department of Commerce - Contacts at the U.S. Mission to the EU:**

Minister Counselor for Commercial Affairs  
Beryl Blecher  
Tel: 32.2.811.5374  
[beryl.blecher@trade.gov](mailto:beryl.blecher@trade.gov)

Deputy Senior Commercial Officer  
Val Huston  
Tel: 32.2.811.5328  
[val.huston@trade.gov](mailto:val.huston@trade.gov) (until Summer 2012)

Patricia Gonzalez  
Tel: 32.2.811.5328  
[Patricia.Gonzalez@trade.gov](mailto:Patricia.Gonzalez@trade.gov) (from Summer 2012)

Standards Attaché  
William Thorn  
Tel: 32.2.811.5034  
[william.thorn@trade.gov](mailto:william.thorn@trade.gov)

Market Access and Trade Compliance Attaché  
Ashley Miller  
Tel : 32.2.811.4244  
[ashley.miller@trade.gov](mailto:ashley.miller@trade.gov)

Commercial Attaché  
Ilona Shtrom  
Tel : 32.2.811.5632

[ilona.shtrom@trade.gov](mailto:ilona.shtrom@trade.gov)

NOAA Fisheries Representative  
Stephane Vrignaud  
Tel: 32.2.811.5831  
[stephane.vrignaud@trade.gov](mailto:stephane.vrignaud@trade.gov)

U.S. Commercial Service  
U.S. Mission to the European Union  
Rue Zinner 13  
B-1000 Brussels, Belgium  
Tel.: 32.2.811.4100  
Fax: 32.2.811.5151  
E-mail: [brussels.ec.office.box@trade.gov](mailto:brussels.ec.office.box@trade.gov)  
Website: <http://export.gov/europeanunion/>

**United States Department of Agriculture - Contacts at the U.S. Mission to the EU:**

Office of Agricultural Affairs  
U.S. Mission to the European Union  
Rue Zinner 13  
B-1000 Brussels, Belgium  
Tel.: 32.2.811.4247  
Fax: 32.2.811.5560  
E-mail: [AgUSEUBrussels@fas.usda.gov](mailto:AgUSEUBrussels@fas.usda.gov)  
Website: <http://www.fas.usda.gov/posthome/Useu/>

**The European Commission:**

European Commission  
Rue de la Loi 200 / Wetstraat 200  
B-1049 Brussels, Belgium  
Tel: 32.2.299.11.11 (switchboard)  
Fax: 32.2.295.01.38 (also 295.01.39 and 295.01.40)  
Websites: [http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm) (European Commission)  
[http://eeas.europa.eu/us/index\\_en.htm](http://eeas.europa.eu/us/index_en.htm) (EU-U.S. relations)

**For general information about the European Union:**

Delegation of the European Commission to the United States  
Washington, D.C. 20037  
Tel: (202) 862-9500  
Fax: (202) 429-1766  
Website: <http://www.eurunion.org/>

***EFTA – European Free Trade Association***

Rue Joseph II, 12-16  
B – 1000 Brussels  
Tel: 32.2.286.17.11  
Fax: 32.2.286.17.50  
Website: <http://www.efta.int/>

**For Information on Customs-related Matters within the European Union:**

Mr. Walter Deffaa, Director General

Directorate General Taxation and Customs Union  
Rue de la Loi 200  
B-1049 Brussels  
Tel: 32.2.295.43.76  
Fax: 32.2.296.90.46  
Website: [http://ec.europa.eu/taxation\\_customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/index_en.htm)

**Standards Contacts:**

Mr. Gordon Gillerman  
Chief of the Global Standards and Information Program  
National Centers for Standards and Certification Information (NCSCI)  
National Institute of Standards & Technology  
100 Bureau Dr.  
Mail Stop 2100  
Gaithersburg, Maryland 20899  
Tel: (301) 975-2573  
Website: <http://ts.nist.gov/Standards/Global/about.cfm>

**CEN – European Committee for Standardization**

Avenue Marnix 17  
B – 1000 Brussels, Belgium  
Tel: 32.2.550.08.11  
Fax: 32.2.550.08.19  
Website: <http://www.cen.eu/>

**CENELEC – European Committee for Electrotechnical Standardization**

Avenue Marnix 17  
B – 1000 Brussels, Belgium  
Tel: 32.2.519.68.71  
Fax: 32.2.519.69.19  
Website: <http://www.cenelec.eu/>

**ETSI - European Telecommunications Standards Institute**

Route des Lucioles 650  
F – 06921 Sophia Antipolis Cedex, France  
Tel: 33.4.92.94.42.00  
Fax: 33.4.93.65.47.16  
Website: <http://www.etsi.org/>

**European Commission -Directorate - General Enterprise and Industry**

Avenue d'Auderghem 45/Rue Belliard 100  
B – 1049 Brussels, Belgium  
Tel: 32.2.299.56.72  
Fax: 32.2.299.16.75  
Website: [http://ec.europa.eu/enterprise/standards\\_policy/index\\_en.htm](http://ec.europa.eu/enterprise/standards_policy/index_en.htm)

**NORMAPME – European Office of Crafts Trades and Small and Medium-Sized Enterprises for Standardization**

Rue Jacques de Lalaing 4  
B – 1040 Brussels, Belgium  
Tel: 32.2.282.05.30



Fax: 32.2.282.05.35  
Website: <http://www.normapme.com/>

***ANEC - European Association for the Co-ordination of Consumer Representation in Standardization***

Avenue de Tervueren 32, Box 27  
B – 1040 Brussels, Belgium  
Tel: 32.2.743.24.70  
Fax: 32.2.706.54.30  
Website: <http://www.anec.org>

***ECOS – European Environmental Citizens Organization for Standardization***

Rue d'Edimbourg 26  
B – 1050 Brussels, Belgium  
Tel: 32.2.894 46 55  
Fax: 32.2.894 46 10  
Website: <http://www.ecostandard.org/>

***EOTA – European Organization for Technical Approvals (for construction products)***

Avenue des Arts 40  
B – 1040 Brussels, Belgium  
Tel: 32.2.502.69.00  
Fax: 32.2.502.38.14  
Website: <http://www.eota.be/>

**Private Sector Associations:**

***AmchamEU***

53 Avenue des Arts  
B-1000 Brussels, Belgium  
Tel: 32.2.513.68.92  
Fax: 32.2.513.79.28  
Website: <http://www.amchameu.eu/>

***Business Europe***

The Confederation of European Business  
Avenue de Cortenbergh 168  
1000 Brussels, Belgium  
Tel: 32.2.237.65.11  
Fax: 32.2.231.14.45  
Website: [www.besnesseurope.eu](http://www.besnesseurope.eu)

***European-American Business Council – EU Office***

Rue de l'Industrie 26  
B-1040 Brussels, Belgium  
Tel: 32.2.513.38.72  
Website: <http://www.eabc.org/>

***European-American Business Council – U.S. Office***

919 18<sup>th</sup> Street, NW #220  
Washington, DC 20006

Tel: (202) 828-9104  
Fax: (202) 828-9106  
Website: <http://www.eabc.org/>

***Tech America Europe***

40 Rue des Drapiers  
B-1050 Brussels, Belgium  
Tel: 32.2.502.7560  
Fax: 32.2.502.6734  
Website: <http://www.techamerica.org/europe>

***The European Institute***

1001 Connecticut Avenue, N.W., Suite 220,  
Washington DC, 20036-5531  
Tel: (202) 895-1670  
Website: <http://www.europeaninstitute.org/>

***Centre for European Policy Studies (CEPS)***

1 Place du Congres  
B-1000 Brussels, Belgium  
Tel: 32.2.229.39.11  
Fax: 32.2.219.41.51  
Website: <http://www.ceps.eu/index.php>

***The European Policy Centre***

Residence Palace  
155 Rue de la Loi  
1040 Brussels, Belgium  
Tel: 32.2.231.03.40  
Fax: 32.2.231.07.04  
Website: <http://www.epc.eu/>

***European Round Table of Industrialists (ERT)***

Place des Carabiniers 18a  
B-1030 Brussels  
Tel: 32 2 534 31 00  
Fax: 32 2 534 73 48  
Website: <http://www.ert.be/>

***The Transatlantic Policy Network***

Rue Froissart 115, 1st floor  
B-1040 Brussels, Belgium  
Tel: 32.2.230.61.49  
Fax: 32.2.230.58.96  
Website: <http://www.tponline.org/>

***TransAtlantic Business Dialogue – TABD EU Office***

Residence Palace  
101 Rue Keyenweld  
B-1050 Brussels, Belgium  
Tel: 32 2 514 0301

Fax: 32 2 514 0501  
Website: <http://www.tabd.com/>

***TransAtlantic Business Dialogue – TABD U.S. Office***

TABD c/o CSIS  
1800 K Street, NW, Suite 400  
Washington, DC 20006  
Tel: (202) 775 32 51  
Fax: (202) 775 31 99  
Website: <http://www.tabd.com/>

***The Trans European Policy Studies Association (TEPSA)***

11 Rue d'Egmont  
B-1000 Brussels, Belgium  
Tel: 32.2.511.34.70  
Fax: 32.2.511.67.70  
Website: <http://www.tepsa.be/>

**Key EU-related websites:**

*For general information on the European Union*  
The EU's portal website  
<http://www.europa.eu/>

Resource for EU news, policy positions and actors  
<http://www.euractiv.com/>

A to Z index of European Union websites  
<http://www.eurunion.org/infores/euindex.htm>

*For information on topics related to doing business in the European Union*  
EU's "One Stop Internet Shop for Business" (EU funds, technical standards, intellectual property law, and free access to public procurement tender notices via the Tenders Electronic Daily (TED) database):  
[http://ec.europa.eu/youreurope/business/index\\_en.htm](http://ec.europa.eu/youreurope/business/index_en.htm)

EU Member State Chambers of Commerce in the U.S.  
<http://www.eurunion.org/states/doingbizweu.htm>

EU market access database (information on tariffs and other trade information)  
<http://madb.europa.eu/>

EURLEX – Access to EU law  
<http://eur-lex.europa.eu/en/index.htm>

CORDIS – Community Research and Development Information Service (EU research and innovation website)  
<http://cordis.europa.eu/>

European Commission Statistical Office (Eurostat)  
<http://epp.eurostat.ec.europa.eu/>

EU Office of Official Publications

<http://publications.europa.eu/>

EU official website on the euro

[http://ec.europa.eu/euro/index\\_en.html](http://ec.europa.eu/euro/index_en.html)

European Central Bank, Frankfurt

<http://www.ecb.int/>

European Investment Bank, Luxembourg

<http://www.eib.org/>

Council of the European Union

<http://www.consilium.europa.eu/>

European Parliament

<http://www.europarl.europa.eu/>

European Court of Justice

<http://curia.europa.eu/>

EU Who is Who – The Official Directory of the European Union

<http://europa.eu/whoiswho/public/>

## Market Research

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Search the Commerce Department's Market Research Library, available from:  
<http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.

To view market research reports produced by the U.S. Commercial Service please go to the following website:

[http://www.buyusainfo.net/adsearch.cfm?search\\_type=int&loadnav=no](http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no) and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

## Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

<http://export.gov/tradeevents/index.asp>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://export.gov/begin/index.asp>  
U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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